

CANADA

DEBATES OF THE SENATE

OFFICIAL REPORT

(HANSARD)

THE HONOURABLE MURIEL McQUEEN FERGUSSON

SPEAKER

1973-74
FIRST SESSION, TWENTY-NINTH PARLIAMENT
21-22-23 ELIZABETH II

Volume I

(January 4, 1973, to June 28, 1973)

The Session was opened on January 4, 1973

and was prorogued on February 26, 1974

Queen's Printer for Canada, Ottawa

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

February 26, 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

PARLIAMENTARY SECRETARIES

Léopold Corriveau	To Minister of Agriculture
Pierre De Bané	To Minister of Consumer and Corporate Affairs
Herb Breau	To Minister of Energy, Mines and Resources
William Rompkey	To Minister of the Environment
J.-Roland Comtois	To Minister of Finance
Len Marchand	To Minister of Indian Affairs and Northern Development
Raynald Guay	To Minister of Industry, Trade and Commerce
Gilles Marceau	To Minister of Justice
Charles Turner	To Minister of Labour
Mark MacGuigan	To Minister of Manpower and Immigration
Leonard Hopkins	To Minister of National Defence
Norman A. Cafik	To Minister of National Health and Welfare
John M. Reid	To President of the Privy Council
Maurice Foster	To President of the Privy Council
Marcel Prud'homme	To Minister of Regional Economic Expansion
Joseph-Philippe Guay	To Minister of Transport
Ian Watson	To Minister of State for Urban Affairs

SENATORS OF CANADA

ACCORDING TO SENIORITY

February 26, 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	Winnipeg, Man.
Eugene A. Forsey	Nepean	Ottawa, Ont.
William C. McNamara	Winnipeg	Winnipeg, Man.
Paul C. Lafond	Gulf	Hull, Que.
Ann Elizabeth Haddon Heath	Nanaimo-Malaspina	Nanaimo, B.C.
Edward M. Lawson	Vancouver	Vancouver, B.C.
H. Carl Goldenberg	Rigaud	Westmount, Que.
George Clifford van Roggen	Vancouver-Point Grey	Vancouver, B.C.
Sidney L. Buckwold	Saskatoon	Saskatoon, Sask.
Renaude Lapointe	Mille Isles	Montreal, Que.
Mark Lorne Bonnell	Murray River	Murray River, P.E.I.
Guy Williams	Richmond	Richmond, B.C.
Michel Fournier	Restigouche-Gloucester	Pointe Verte, N.B.
Frederick William Rowe	Lewisporte	St. John's, Nfld.
George James McIlraith, P.C.	Ottawa Valley	Ottawa, Ont.
Margaret Norrie	Colchester-Cumberland	Truro, N.S.
Henry D. Hicks	The Annapolis Valley	Halifax, N.S.
Bernard Alasdair Graham	The Highlands	Sydney, N.S.
Martial Asselin, P.C.	Stadacona	La Malbaie, Que.
Arthur Laing, P.C.	Vancouver South	Vancouver, B.C.
John James Greene, P.C.	Niagara	Niagara Falls, Ont.
Joseph Julien Jean-Pierre Côté, P.C.	Kennebec	Longueuil, Que.
Joan Neiman	Peel	Caledon East, Ont.
Raymond Joseph Perrault	North Shore-Burnaby	Vancouver, B.C.
John Morrow Godfrey	Rosedale	Toronto, Ont.
Maurice Riel	Shawinigan	Mount Royal, Que.
Louis-J. Robichaud, P.C.	L'Acadie-Acadia	Ottawa, Ont.
Daniel Riley	Saint John	Saint John West, N.B.

SENATORS OF CANADA

ALPHABETICAL LIST

February 26, 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.
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.
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	Winnipeg, 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	Mount Royal, Que.
Riley, Daniel	Saint John	Saint John West, N.B.
Robichaud, Louis-J., P.C.	L'Acadie-Acadia	Ottawa, Ont.
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.
Yuzyk, Paul	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

February 26, 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	Designation	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	Mount Royal.

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	.....	.....	.....
10	.....	.....	.....

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	Ottawa, Ont.
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	M. Lorne Bonnell	Murray River	Murray River.

MANITOBA—6

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

BRITISH COLUMBIA—6

	THE HONOURABLE		
1	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)	
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

Parliamentary Reporters

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H. D. Griffith (*Associate Editor and Senior Reporter, English*),
J. R. Langlois (*Associate Editor and Senior Reporter, French*),
Aurèle Chenier, Lorcan OhUiginn,
W. J. Culleton, G. K. Hubbard, D. L. Sellers,
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Assistant Parliamentary Reporters

Maurice Bolduc, N. C. Keeley

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Associate Parliamentary Librarian	Gilles J. C. Frappier, B.A., B.Ph., B.L.S.

THE SENATE

Thursday, January 4, 1973

OPENING OF FIRST SESSION OF TWENTY-NINTH PARLIAMENT

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

The Senate met at 9.45 a.m.

SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING HONOURABLE MURIEL McQUEEN FERGUSSON

Hon. Muriel McQueen Fergusson, having taken the Clerk's chair, rose and said: Honourable senators, I have the honour to inform the Senate that a Commission under the Great Seal has been issued appointing me Speaker of the Senate.

The said Commission was then read by the Clerk.

The Hon. the Speaker then took the Chair at the foot of the Throne, to which she was conducted by Hon. Paul Martin, P.C., and Hon. Jacques Flynn, P.C., the Gentleman Usher of the Black Rod preceding.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE

OTTAWA

January 4, 1973

Madam,

I am commanded to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to open the First Session of the Twenty-ninth Parliament of Canada on this day, Thursday, the 4th of January, 1973, at 10.30 a.m.

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.

25862—1

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Hon. Martial Asselin, P.C.

Hon. Arthur Laing, P.C.

Joan Neiman

NEW SENATORS INTRODUCED

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writs of summons, which were read by the Clerk Assistant; took the legally prescribed oath, which was administered by the Clerk, and were seated:

Hon. Martial Asselin, P.C., of La Malbaie, Quebec, introduced between Hon. Jacques Flynn, P.C., and Hon. Josie D. Quart.

Hon. Arthur Laing, P.C., of the City of Vancouver, British Columbia, introduced between Hon. Paul Martin, P.C., and Hon. John Nichol.

Hon. Joan Neiman, of the Township of Caledon, Ontario, introduced between Hon. Paul Martin, P.C., and Hon. Richard J. Stanbury.

The Hon. the Speaker informed the Senate that each of the honourable senators named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

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

• (1000)

At 10.30 a.m. the sitting was resumed, and was then adjourned, pending the arrival of the Right Honourable the Deputy of the Governor General.

Right Honourable Gerald Fauteux, P.C., Deputy of His Excellency the Governor General, having come and being seated,

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

Who being come,

The Hon. the Speaker said:

Honourable Members of the Senate:

Members of the House of Commons:

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

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
OTTAWA

4 January 1973

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 3.00 p.m. on this day, Thursday the 4th January, 1973, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the First 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.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Hon. John James Greene, P.C.

Hon. Joseph Julien Jean-Pierre Côté, P.C.

NEW SENATORS INTRODUCED

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

[The Hon. the Speaker.]

The following honourable senators were introduced; presented Her Majesty's writs of summons, which were read by the Clerk Assistant; took the legally prescribed oath, which was administered by the Clerk and were seated:

Hon. John James Greene, P.C., of Niagara Falls, Ontario, introduced between Hon. Paul Martin, P.C., and Hon. F. W. Rowe.

Hon. Joseph Julien Jean-Pierre Côté, P.C., of the City of Longueuil, Quebec, introduced between Hon. Paul Martin, P.C., and Hon. Maurice Bourget, P.C.

The Hon. the Speaker informed the Senate that each of the honourable senators named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

THE LATE RIGHT HONOURABLE LESTER B. PEARSON

TRIBUTES TO FORMER PRIME MINISTER

Hon. Paul Martin: Honourable senators, I rise in the Senate to pay my tribute to the former Prime Minister of Canada, the Right Honourable Lester Bowles Pearson, who died Wednesday last, December 27, and whose remains were taken from these Parliament Buildings Sunday, December 31, for burial in the Gatineau hills.

He was known, and will always be known to all of us, I believe, as Mike Pearson. May I say that I had a long association with him. I knew him first as a lecturer in history at the University of Toronto, when I was a student there. I knew him as an official of promise in the Department of External Affairs; as a colleague in the governments of Mackenzie King and Louis St. Laurent and in that over which he himself so ably presided; as Secretary of State for External Affairs, when I was privileged to lead Canada's delegation to the United Nations during the late forties and early fifties; as the man who became decisively Leader of the Liberal Party in 1958; as Leader in Opposition and in Government, when I was his House of Commons seatmate and foreign minister; and as a friend during the last five years, when he was released from the heavy burdens of office.

He led as varied a life out of office as he had in politics and in diplomacy. In retirement he devoted his time to the things that mattered most to him—that is, his commitment to international co-operation and the importance of collective action as the solution to the problems of the world community.

This concern he expressed in a variety of ways. He expressed it as Chairman of the World Bank's Commission on International Aid and Development. Mr. Edward Heath, the British Prime Minister, when he was here on Sunday last attending the funeral, said it was Pearson's genius that guided his colleagues to make so important a report. He expressed it as Chairman of the International Institute for Strategic Studies, where he worked in such fields as arms limitation, force reductions in Europe, and relations with China, as well as the problems of the world in general. He expressed it as Chairman of the International Development Research Centre, which, as Leader of

the Government, he helped to establish, and through which he helped to fashion Canada's activities in the developing world, and to develop a Canadian expertise, and the expertise of other countries, in helping others with their problems scientifically. But perhaps most important, honourable senators, he found himself universally accepted as a man of wisdom. He was the friend of many statesmen; a valued adviser.

• (10.10)

There are not many of his stature who can take a true measure of the relative importance of contemporary problems, or who can assess the proper role of the individual human being in society. His self-effacement, gaiety, humanity—these were the elements of his character which enabled him to do so much good with such apparent ease.

On the domestic front Mike Pearson was determined to accomplish as much as he had accomplished in diplomacy. As Prime Minister, his qualities enabled him to weather trying times and to pilot the ship of state without serious mishap. His Prime Ministership was served in an exceedingly difficult period. The circumstances in Parliament and in the country, perhaps understandably, were often hostile to the performance of great acts of domestic statesmanship. It was not like the halcyon days of the fifties when Mike Pearson's talents received full rein in an international climate which was favourable to the exercise of his genius. The domestic problems of the sixties were such that as Prime Minister he had to strive with courage and, as those of us in this chamber who were with him know, with great determination in directing our affairs.

And yet, as the years pass, it is more apparent that he achieved great things—accomplishments which were all the more remarkable given the adverse circumstances under which he laboured. The Canada Pension Plan, his work to maintain national unity, and his flag were milestones in our history. As the years go by I am sure the importance of these steps will be appreciated more and more.

Mike Pearson's reading of our problems of national unity came at a time when there was need for the greatest understanding. The B and B policy, the B and B Commission, the flag—all were sensible measures, and yet they were difficult to achieve and they took courage, as we all recognize wherever we sit. The flag would never have been adopted but for his determination, almost his sole determination, and courage during one of the longest debates in the Commons' history.

He served Canada as Prime Minister at a crucial time in our history. He was frequently and bitterly criticized, as men in the avocation that we have chosen must expect to be. But his diplomatic sense, which so many had praised in the foreign minister and often damned in the Prime Minister, served him and his country well. He had practised diplomacy as the art of compromise, and he appreciated the value of that experience in carrying out his duties as Prime Minister.

History has yet to make a final judgment on Lester Pearson, the Prime Minister. But I am confident that the bench of that most exacting court will rule in his favour. Elsewhere, however, Mike Pearson, the diplomatist, ambassador, Under-Secretary and Secretary of State for External Affairs, already has been judged by history, and history has awarded its laurels.

His life was devoted to the search for international co-operation and collective ways of seeking the resolution of international problems. And here is to be found, I believe, what could be his greatest achievement.

From 1930 on he advocated his belief in the obligation of Canada as a sovereign state to act on its commitment to collective security. This was inherent, he argued, in the signature we affixed to the Covenant of the League of Nations.

He was a senior adviser at the founding Conference of the United Nations in San Francisco in 1945 at which the Charter of the world organization was signed. Mike never lost faith, as I well know, in the capacity of the UN to provide for an effective application of collective security in due time.

His close association with NATO, as necessary in the interim, was but an alternate expression of this same deep-seated belief. He has written about these matters in the first volume of his memoirs which appeared only recently.

He had been disillusioned with the failure of Canadian governments in the twenties and thirties to give effect to the covenant of the League. Canada had been sought out as an original member of the League of Nations and he felt, rightly or wrongly, that we were not honouring our commitment. He resisted the reluctance of successive governments before the Second World War to accept responsibilities or share them with others in the League.

His commitment to collective ways of resolving conflict dominated his support for the work of the UN, as did his work in establishing the United Nations Works and Rehabilitation Agency, one of the great monuments and efforts of human beings in the field of international charity, and the Food and Agriculture Organization.

No wonder that at two different periods only the veto of one nation prevented his becoming Secretary-General of the United Nations. How well he would have filled that exacting post!

His unremitting zeal was highlighted in his work for peace around the world, his belief in NATO, his unswerving support for the Canadian position in 1955 which broke the five-year deadlock over the admission of new members to the UN and, above all, his role in resolving the Suez crisis and establishing the Emergency Force in the Middle East, which was to earn him, so deservedly, the Nobel Foundation's Peace Prize. It is fitting, perhaps, to recall at this time that Mike's honours also included First World War military service medals, the Order of Canada, and the rarely conferred Order of Merit, which was conferred on him about a year ago by Her Majesty the Queen personally.

Mike Pearson personified Canada's commitment to uphold the integrity of the international system. His idealism in this regard seemed to promote Canada's interests and those of the world community.

I fully share his commitment. His passing must not be seen as the end of our national involvement in the pursuit of this obligation.

Mike Pearson's life stands as a memorial, not only to him but to Canada. His memorial is his life, and I believe that his productive contributions to the cause of peace and to humanity must serve his country as we continue to emulate his endeavours now that he is no more. His commitment must continue to be the commitment, the continuing commitment, of Canada. That is what he wished above all else, as he told me on the night of December 12, when I saw him last. Let us not disappoint him.

• (1020)

As I close what I have to say, I am reminded of the words of the Paulist Father, John Burke, at another time of national mourning in Canada, and I make his words my own:

> Bear him away gently, oh so gently. He is our loved one; the nation's beloved. When you have arrived at the grave lay him down tenderly, for the sod seldom covered a nobler heart than that of Mike Pearson.

Hon. Jacques Flynn: Honourable senators, above all else, Mike Pearson was a genuinely fine and likeable human being. He was humble, humorous, and, even while Prime Minister, easily accessible.

Clever, erudite, and perspicacious—this he was, but also tough and resilient. In short, he was a formidable opponent.

The true realist, he once pointed out, is the man who sees things both as they are and as they could be. This generous and compassionate man was himself a true realist—an optimist, with the mind of a pragmatist and the soul of an idealist.

He saw problems in perspective. His was not a jaundiced view; it was not narrowed by ideological blinkers.

[*Translation*]

Mike Pearson was a man of good will. He had warmth, serenity and sophistication, and he was a good listener.

His whole life was dedicated to the promotion of peace and understanding—understanding between countries, between nations, between the various groups which make up the population of Canada. He was essentially a man of negotiations and honourable compromise.

[*English*]

He gave Canada a flag, an Economic Council, a Royal Commission on Bilingualism and Biculturalism, and an auto pact with the United States. He unified the armed forces, and made a major breakthrough on the division of tax funds between federal and provincial governments. These are but a few of his many significant accomplishments.

He was an architect and an enduring champion of NATO, but he was perpetually distressed by what he saw as its tendency to act solely as a military alliance. He would have much preferred to see it devote more attention to social and cultural objectives.

He was a member of the Canadian delegation to the founding conference of the United Nations in 1945, and he served a term as its General Assembly President in 1952-53. His love for the United Nations fitted in well with his philosophy, which strictly distinguished between nationalism and sovereignty, between nation and state. As he saw it, world peace depended on world federation.

His internationalism also made itself manifest after he had concluded his public career in Canada and worked for the World Bank. For the bank he prepared a report on foreign aid to the developing world. That report has been authoritative ever since. Its goals, though they have not yet been achieved, have been accepted by the developed world.

As he saw it, there could be no peace, no security, as long as only a few rich countries had access to the benefits of science and technology. The large majority of the world's population live in deprivation and want. This situation, he pointed out, must ultimately lead to large-scale disaster.

Mike Pearson met the obstacles and removed them as best he knew how. He used discretion, compromise, and gentle persuasion. His style was his own, and although it was not always appreciated by others, it can be said in its defence that it produced results.

Though he was learned, he was no thin-skinned intellectual. He was no tragic hero suffering for the sake of certain pet ideas, struggling to overcome the inevitable inconsistencies of life. He was just plain old Mike, muddling along, buoyant and optimistic, and doing a creditable job of running the country.

He will be remembered with pride and fondness.

To his wife and family, to the party he led with honour and political deftness, and to his close and dear friend, the Leader of the Government in the Senate, we of the Official Opposition offer our most sincere condolences.

Hon. Ernest C. Manning: Honourable senators, the fitting words of tribute paid by the Leader of the Government and the Leader of the Opposition in the Senate to Mr. Pearson will be echoed by thousands of people across the country, of different political persuasions and from many walks of life. May I add my personal tribute as one who knew him well, but whose relationship had perhaps a different perspective from that of others present in the chamber today.

During Mr. Pearson's term as Prime Minister, my association with him was in my capacity as premier of a provincial government. In the field of federal-provincial relations Mr. Pearson played an important role.

His great skill in diplomacy, which was demonstrated so effectively in the international sphere, was brought to bear frequently in resolving conflicts and differences of opinion which existed between the federal and provincial governments.

His constant good humour and ready wit, his warmth and friendliness, in addition to his obvious wisdom, were assets which enabled him to meet any situation. On occasions when it seemed conflicting viewpoints could not be reconciled, he had the happy ability of bringing harmony to the situation.

It is a matter of genuine regret that Mr. Pearson was denied the opportunity of serving as Secretary General of the United Nations. Few if any men in the field of international diplomacy have possessed his qualifications and ability to serve as he would have served in that capacity.

Mr. Pearson was, by nature, self-effacing. He was a humble man. He did not talk about himself or his achieve-

ments. Only after the passage of considerable time will this country realize the full value of all the contributions he made.

• (1030)

Certainly, it is fitting that all of us who knew him and were privileged to work with him should publicly recognize his great contribution. I appreciate this opportunity to add my word of personal tribute to what has already been said.

THE LATE HONOURABLE GEORGE ALEXANDER DREW

TRIBUTES TO FORMER PREMIER OF ONTARIO

Hon. Allister Grosart: Honourable senators, in this sad climate of national mourning for our former Prime Minister the unhappy task falls to me of voicing what, I am sure, is the sorrow of all members of the Senate at the calling away in the dark hours before today's dawn of another great Canadian and distinguished former member of this Parliament, the Honourable George Drew.

The Honourable Mr. Drew was known to many members of the Senate personally. Some served with him, I know, in the House of Commons when he was Leader of the Opposition, and at least one honourable senator was a member of the Ontario Legislature while he was Premier of Ontario. He was a man of many facets. His fine-filed mind made it inevitable that his interests would range over many of the arts as well as the affairs of men. I think we all agree that wherever he applied himself he distinguished himself, and rose to a position of eminence.

He was a great Canadian soldier. He served as a gunnery officer in the First World War, and was wounded. His interest in Canada's defence continued, and he rose to the rank of full colonel.

He was Mayor of Guelph, member of the provincial Legislature and a member of the House of Commons. He held the rare distinction of having served Canada at all three levels of government in positions of importance and eminence.

He became Premier of Ontario in 1943. His government was re-elected in 1945, and again in 1948. At that time it was said of him that he was the only Conservative in this century who had returned to power a Conservative government in three successive elections.

Honourable senators will recall that he became the federal Leader of the Conservative Party in 1948, and was Leader of His Majesty's Official Opposition from 1949 to 1956. He served with great distinction, winning the respect, I am sure, of both those who sat beside him and those who sat opposite him. He was a fighter; a man of high principles—principles to which he held with more tenacity, perhaps, than most of us are inclined to do, and for which he was at times criticized. However, I think in the long run the record will show that George Drew's staunchness to his principles was one of the most distinguishing marks of his greatness.

He was a man of strong convictions and he stood by his convictions. Some might say that on that account he made enemies. I do not think so. He had adversaries, opponents—many of them—but if the time were opportune I could bear witness to more than one occasion when George Drew extended a generous helping hand to more than one of those, who, according to the news media, might have been regarded as his bitterest enemies.

He was a warm man, although he had an innate shyness that prevented him to some extent from showing his warmth. He was not a man who could wear his heart on his sleeve, but I know that to his family and to his friends the warmth of his heart and spirit was always apparent.

After his retirement from the leadership of the Official Opposition he served with great distinction under both Conservative and Liberal governments as Canada's High Commissioner in London. Time will tell, when contemporary memoirs are written, of some of his very important achievements there, particularly in matters concerning the international law of the sea and other delicate matters of high international diplomacy in which he was our representative.

He is gone from us, honourable senators, but I am sure you would wish that on your behalf I extend to his wife and the family he has left behind our appreciation of his great service to Canada, and our sympathy with them in this hour of sorrow.

Hon. Paul Martin: Honourable senators, the death this morning of the Honourable George Drew not only saddens us but brings home to each and every one of us the finiteness of man. It is almost ironic that his death should follow so closely that of Mike Pearson, for in spite of their political differences, and the different roles they occupied in the public life of our country, they were close and understanding friends.

[*Translation*]

I can certainly tell the Leader of the Opposition that his party had in George Drew a leader who fully understood the complexities of our federation and who, because of his contributions, is always to be considered as a very great Canadian.

[*English*]

George Drew was obviously a man greatly interested in the political affairs of his country, his province, and his municipality. He loved Guelph, where he was born, and where his distinguished father-in-law, Edward Johnson, had risen to prominence. He was a mayor and an alderman of the City of Guelph. He became a court official, serving in the role of Master at Osgoode Hall. He became a member of the Ontario Legislature. He was a civil servant, head of the Ontario Securities Commission. He became a member of the Government of the Province of Ontario, and its leader, succeeding the dynamic and charismatic Mitch Hepburn.

George Drew became the Leader of the Progressive Party at what I think would generally be regarded as a difficult period for that party, which has so richly contributed to our national and political life.

• (1040)

It is not a reflection on those who preceded him or on those who have succeeded him, but it is a tragedy, that illness took him almost at the moment of what might have been an important decision by the Canadian people.

Those of us who served in the House of Commons during his eight years of leadership will not forget that he

was a man of great knowledge, of both domestic questions and international problems. He was a leader and a speaker of great force and great vigour. Some of the historic debates—the pipeline debate, and all of the incidents connected with, for us, a rather regrettable period—will ever be associated with his leadership in the House of Commons. When Mr. Drew was forced to retire, Mr. St. Laurent, the Prime Minister of that day, expressed what we all felt, that it was sad that illness had brought about his departure, and that illness had made us realize what a fine man he was and what a great loss the nation has suffered. It is true, as I well remember, that we began to know the Leader of the Opposition of that day better in his moment of great adversity than we had known him before.

He became High Commissioner in London and, as Senator Allister Grosart has reminded us, his contributions as High Commissioner were not confined to the importance of that office. He headed the Canadian delegation in Geneva at the conferences on the law of the sea. His contributions, in those two difficult and important conferences, will long be remembered, in spite of the failure of those conferences. No greater demonstration exists, of his fitness for the office of High Commissioner at London, and of the success of the job that he did, than the fact that Mr. Pearson and I decided that he should continue as High Commissioner.

During the time that Mr. Pearson was Prime Minister, George Drew continued for a year and a half as High Commissioner in London. It was only when he asked to retire that he ceased holding that important office.

To Mrs. Drew, to his family, to his friend Senator Grosart, to the Leader of the Opposition and to the Conservative party, we here, and all Canadians, offer our sympathy as we salute this dedicated son of Canada.

THE LATE HARRY S. TRUMAN

TRIBUTES TO FORMER PRESIDENT OF THE UNITED STATES

Hon. Paul Martin: Honourable senators, in the other place not only will tributes be paid to the former Prime Minister and to Mr. Drew, but mention will be made of the passing of a former President of the United States, Harry S. Truman.

Our friendship with the United States has been such, and is such, that we pay more than passing attention to events in that country. Few events in recent days have stirred us as much as the death of that happy warrior, that politician of the politicians, Harry S. Truman, who was born in Missouri in May 1884—88 years ago. He became a senator, never expecting that his contribution could come through any other office.

A great President, Franklin Delano Roosevelt, on the eve of his fourth term, decided that he would like to have Harry Truman as his vice-presidential running mate. No one could have foreseen at that time, I am sure—including Mr. Truman—that within five months the great political figure Roosevelt would have passed away, and that Harry Truman, a haberdasher from Missouri, would be called upon to preside over the affairs of the most powerful nation in the world. He did; and men who were close to him have passed a judgment on his worth. Mr. Churchill, General Marshall, and Dean Acheson have all referred to him as one of the great Presidents of the United States. His first contact with the great of the world was at Potsdam, where he held his own with Stalin and even with Churchill.

The Government of Canada and the people of Canada extend to Mrs. Truman, to her daughter, and to the people of the United States their heartfelt sympathy on the death of this great President. The government has asked me to represent it tomorrow at the memorial service in Washington.

Hon. Jacques Flynn: Honourable senators, Harry S. Truman, who became Vice-President of the United States against his will in circumstances which the Leader of the Government has indicated, attained the Presidency because of the death of Franklin Delano Roosevelt. Later, in 1948, he was elected in his own right, when all the pundits were predicting a landslide victory for his Republican opponent, Tom Dewey.

In his youth he had not received the preparatory formation which men like Franklin Delano Roosevelt, John Kennedy, Richard Nixon, and others received; yet he held the highest office of the world's most powerful nation at a very crucial period, and he acquitted himself exceptionally well of the heavy responsibilities which faced him. It was not easy to decide to use the A-bomb on Hiroshima and Nagasaki, yet history will most likely judge that he did the right thing in bringing the war to an end.

He was instrumental in the establishment of the United Nations and the North Atlantic Treaty Organization, in launching the Marshall Plan, and in the military intervention in Korea on behalf of the UN.

He was a simple man, but a fighter who would neither shirk his responsibilities nor refuse any challenge. He will be remembered as one of the great American Presidents.

It is most fitting that the only member of the Canadian Government at the time of the presidency of Harry Truman who is still in parliament, the Honourable Paul Martin, should represent our country at the ceremony which will take place tomorrow in Washington, to convey to Mrs. Truman and the family of the late Mr. Truman, and to the people of the United States, the condolences of the Canadian people.

BUSINESS OF THE SENATE

Hon. Léopold Langlois: Madam Speaker, I assume that at this stage honourable senators would like to be informed of the proposed schedule of sittings and of our program of work for this and the next week.

When the Senate rises this morning it will be moved that it do stand adjourned until 2.45 this afternoon to await the arrival of His Excellency the Governor General for the Official Opening of this First Session of the new Parliament. Once this formal opening is concluded there will be a motion for the Senate to stand adjourned until eight o'clock in the evening on Tuesday next.

This will give honourable senators the advantage of either reading or hearing the speeches of the political leaders of the other place before the debate on the

Address in reply to the Speech from the Throne begins in this place. It is hoped that the knowledge of the trend of the discussions in the other place will generate a wide interest in this chamber, which will be translated into a general participation by honourable senators.

As honourable senators know, there is a rule in the other place limiting the debate on the Address in reply to the Speech from the Throne to eight days. There is no such rule in this chamber. Therefore, when we resume our sittings on Tuesday evening next I shall move that the debate in this chamber be limited to a like period of eight days, as that has been the general practice in this house.

On motion of Honourable Senator Martin, seconded by Honourable Senator Langlois, the Senate adjourned until 2.45 p.m.

SECOND SITTING

The Senate met at 2.45 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

At three o'clock His Excellency the Governor General having come and being seated upon the Throne,

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

The House of Commons being come,

Their Speaker, the Hon. Lucien Lamoureux, said:

May it please Your Excellency,

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

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

The Hon. the Speaker of the Senate answered:

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

SPEECH FROM THE THRONE

His Excellency the Governor General was then pleased to open the First Session of the Twenty-ninth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the First Session of the 29th Parliament of Canada, with a special word of greeting to those who are entering for the first time upon their important duties as legislators.

The New Year promises much of special interest to all of you, in common with other Canadians. Her Majesty The Queen and His Royal Highness The Duke of Edinburgh will visit Canada twice. In late June and early July they will take part in celebrations marking the Centenary of the entry of Prince Edward Island into the Canadian Confederation, the Tercentenary of the City of Kingston, founded in 1673 by Le Comte de Frontenac, and the 100th anniversary of the founding of the Royal Canadian Mounted Police. I speak for Canadians generally when I say how pleased we shall all be to have Her Majesty and His Royal Highness with us for these national celebrations.

In August Canadians will again welcome Her Majesty, not only as their Queen but in her role as Head of the Commonwealth. She and the Duke of Edinburgh will be present in Ottawa for the Meeting of the Heads of Government of the Commonwealth. The Government, which will be host for the first time for these periodic meetings, attaches much importance to the Commonwealth and its common traditions, institutions and language. In this connection I note that not two years have passed since Canada was host to a Conference of l'Agence de Coopération culturelle et technique which brought together representatives of many countries of French expression. These two successive events illustrate the richness of Canada's linguistic duality and the special world associations that we derive from it.

Multilateral Preparatory Talks for the long-awaited Conference on European Security and Co-operation are now under way. Canada has urged that the main conference, to which Canada will be a party, give due weight to the questions of freedom of movement of people, of trade, of information and of technology between East and West.

Separate from the Conference on Security and Co-operation in Europe, but closely connected with it, the second round of the Strategic Arms Limitation Talks between the United States and the Soviet Union is now under way, and talks on Mutual and Balanced Force Reductions between the nations of the North Atlantic Alliance and the Warsaw Pact are projected.

As one of the world's great trading nations Canada is sensitive to every development in world trading patterns and world monetary arrangements. The Government is participating actively in the Committee of Twenty established for the reform of the International Monetary System. For three years now the Government has been pressing upon the nations of the enlarged European Common Market the need to be outward-looking and is actively engaged in consultations aimed at strengthening trade and other relationships between Canada and the

Common Market. This was a principal subject of discussion when the Prime Minister visited the Prime Minister of Britain last month. The Government has just announced the appointment of an ambassador solely accredited to the European Economic Communities.

As we set about strengthening our long-established economic, cultural and political ties with Europe we do not lose sight of our closest ally and our primary market beyond our borders, the United States. The Government will continue its discussions with the United States to settle certain difficulties that have arisen in our trading arrangements with that country, and to maintain and expand our trading opportunities there.

Access to foreign markets for exporters will receive particular emphasis. A new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade is planned for the fall of 1973. The Government will participate vigorously in these negotiations.

At home, the Government remains fully committed to two pre-eminent goals, national unity and equality of opportunity for all Canadians.

In pursuit of these goals, the Government assigns the highest priority to two policy areas:

—economic policy, to reduce unemployment, contain inflation and strengthen the economy generally

—social policy, to bring about, in consultation with the Provinces, a re-organization of existing social security programs.

In the area of economic policy, the Government has four main objectives:

First, to expand job opportunities at a rate that will bring about as rapid as possible a decline in the numbers of unemployed

Second, to promote stable economic growth at a rate that will sustain rising standards of living for all our citizens and provide for more satisfactory realization of the potential of the economy

Third, to attain reasonable price stability

Fourth, to ensure that all regions of the country benefit from the prosperity brought about by the expanding economy.

To attain its economic objectives, the Government has set in motion a two-part program.

The first part consists of measures to provide more jobs immediately by strengthening and broadening existing programs. These measures have been announced and are already taking effect:

—increased funding for the Local Initiatives Program

—increased funding for on the job training

—a substantial seasonal capital works project to be undertaken in co-operation with the Provinces and municipalities

—special funding to increase direct employment by the Federal Government in labour-intensive projects.

The second part consists of measures that will add to the fundamental strength of the economy, can be acted upon this session and can be expected to have effect with a minimum of delay:

[The Hon. the Speaker.]

—amendments to the Income Tax Act, the Excise Tax Act and the Customs Tariff, reintroducing measures announced earlier

—major revision of the General Adjustment Assistance Plan, to enable industry to take advantage of opportunities for increasing our foreign trade

—aid to small businesses through new initiatives to strengthen management and consulting services and to improve access to financing facilities

—extension and improvement of the Industrial Development Bank

—measures to assist in the development of the tourist industry in Canada

—amendments to the Export Development Act, increasing the capital of the Export Development Corporation and raising the financial ceilings for lending, guarantees, export insurance and foreign insurance operations

—assistance to cooperatives and credit unions

—renewed measures to reduce deeply-entrenched regional economic disparities. The Department of Regional Economic Expansion will be decentralized to a greater degree to be in a better position to identify opportunities for economic development

—review of research and development incentive programs to improve their effectiveness in promoting innovation in the private sector of the economy, including examination of patenting, licensing and other policies related to technology

—measures to ensure further control by Canadians over their economy by the screening of foreign takeovers of Canadian-owned business; measures respecting the transfer of technology from abroad and access to it by Canadian entrepreneurs; measures to increase Canadian participation in the ownership and control of resource projects; and, in consultation with the Provinces, measures dealing with new direct foreign investment and the sale of land to foreigners

—measures that will restructure the Canada Corporations Act, including a requirement that a majority of directors of federally incorporated companies be Canadians

—the Government will meet with the provincial governments in the five regions of the country, to examine the impact of freight rates on economic development and consumer prices. The railways have agreed to participate in these meetings.

Taken together these measures will contribute to the development and elaboration of a coherent set of industrial policies for Canada.

In the area of social policy, the Government considers that Canada's total social security system—including both federal and provincial elements—must be reconsidered and reorganized, and made more sensitive to the needs of people in different parts of the country.

The Government intends that this reorganization should be based on five principles which, taken together, comprise a statement of the Government's commitment in respect of social security.

First, 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.

Second, the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.

Third, a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed.

Fourth, it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

Finally, it must be accepted that the reconsideration of Canada's social security system must be conducted jointly by the Federal Government and the Provinces. A better social security system can only be realized if a reasonable consensus can be reached between the Governments of Canada and the Provinces. To this end, the Government will invite provincial representatives to a conference of welfare ministers in April.

Certain immediate steps will be taken by the Government, consistent with the principles proposed above. In respect of people who can work but are temporarily unemployed, legislation will be introduced to clarify certain aspects of the Unemployment Insurance Plan and to prevent abuses that have not been overcome by the administrative action already taken.

A fair and equitable regime of family allowances is fundamental to an efficient social security system. A new family income security program will be proposed that will particularly take into account the needs of the lower income families. Legislation will be introduced to improve the economic situation of old age pensioners.

Subject to the appropriate agreement being reached with the Provinces, changes to improve the Canada Pension Plan will be introduced to provide higher pensions for widows, widows with dependent children and the disabled and to make other needed amendments.

In another area of social policy, the field of housing and urban development, the Government proposes the following action, in co-operation with the Provinces:

—assistance in the provision of low-cost housing and other accommodation for senior citizens

—home-ownership assistance to low and moderate income families

—new incentives for housing provided by co-operatives and non-profit corporations

—assistance in the rehabilitation of older neighbourhoods

—a land assembly program to assist in the creation of new communities and to check urban sprawl

—encouragement to investors to make more money available to meet housing needs

—a warranty system to protect the purchasers of new houses

—assistance in the relocation of railway tracks and other facilities

—study of the Government's responsibilities with regard to urban transportation generally.

In response to the increasing importance of fitness for the well-being and health of Canadians and the need for greater opportunities for people to participate in sports activities, it is proposed over the next three fiscal years to more than double the current level of expenditures under the Fitness and Amateur Sport Program. Plans for a greatly expanded and a strengthened program will be announced.

Inflation is a world-wide problem. The Government is determined to contain inflation in Canada to protect the purchasing power of the Canadian dollar in the hands of the Canadian people and to protect Canada's position in world trade. While food prices in Canada have steadied slightly in the last month or so, the Government is concerned about possible future effects of the world-wide trend toward higher food prices and will propose the setting up of a Joint Committee of the Senate and the House of Commons to make a special study of this problem.

Efficient communications between all parts of the country are essential to the unity and prosperity of Canada. Technological developments can have a pervasive effect on the social and economic well-being of all Canadians. The Government will, in the near future, submit to Parliament proposals for a national communications policy, and for resolving problems arising from the growing interaction between broadcasting and other forms of telecommunication, giving due weight to the interests and concerns of the Provinces.

The Government will introduce legislation establishing a competition policy to preserve and strengthen the market system upon which our economy is based. The new policy will be in harmony with industrial policies in general and foreign investment policy in particular.

World-wide demand for our agricultural products is strong, in particular for our wheat and other grains. The Government will concentrate its attention upon transportation, storage and handling problems to ensure efficient and timely movement and delivery of grain and other agricultural products.

You will be asked to amend the Crop Insurance Act to allow the Government to reimburse the Provinces to a maximum of fifty percent of premiums paid under contracts of insurance, thereby reducing costs of insurance to individual farmers.

The Government supports the principle of an equitable relationship of prices of feed grain to livestock feeders in various areas of Canada. It is the intention of the Government to implement before the next crop year, procedures that will ensure the optimum development of the feed grain and livestock industries within Canada.

Measures to protect the natural environment and to enhance the productivity of Canada's renewable resource industries will be laid before you. In addition to amendments to the Fisheries Development Act, you will be asked to consider an Environmental Contaminants Act and a Canada Wildlife Act.

To preserve the ecological integrity of Canada's coastal and maritime areas, further preparations will be made for the Third United Nations Law of the Sea Conference. The Ministry of State for Science and Technology, in co-operation with the Department of the Environment and other interested departments, will recommend a national program of research and development in the field of Marine Science and Technology.

The Government will continue its efforts through national, bilateral and multilateral measures to overcome the continuing menace posed by aerial hijacking. In particular, you will be asked to amend the Aeronautics Act to provide for strict security measures to be taken at airports, including the search of persons and property.

You will be asked to consider legislation amending the Immigration Act, to curb abuses including the exploitation of the provisions allowing visitors to apply for immigrant status while in Canada. You will also be asked to amend the Immigration Appeal Board Act to provide for the rapid and equitable disposition of outstanding immigration appeals and prevent the recurrence of large-scale appeal backlogs.

The growing complexity of our society calls for increasing co-ordination of federal and provincial government programs. The Prime Minister will propose a meeting in the spring with the provincial First Ministers to plan further steps in the harmonization of goals, policies and programs for the benefit of all Canadians, particularly in fields that bear on the responsibilities of both levels of government.

Federal-provincial meetings at the ministerial level are also projected on a range of urgent matters, including:

—financial and economic policy

—the Report of the Economic Council of Canada

—health care programs

—post-secondary education

—housing

—restrictions upon foreign ownership of land

—income security

—industrial policy.

The Government will propose to the Governments of British Columbia, Alberta, Saskatchewan and Manitoba that they join with it in the convening of a conference on western economic opportunities. Such a conference would be a unique venture in the history of federal-provincial relations in Canada. It could be jointly planned, and held in the West in the course of the summer. Its purpose would be to explore potentials for economic and social development and, specifically, to consider concrete programs for

stimulating and broadening the economic and industrial base of western Canada.

Among such concrete programs, the Government would propose for discussion the possible establishment of new regionally-based financial institutions better able to serve the financing needs of business enterprise and industrial development in western Canada.

A second suggestion for joint study would be improvement in the total transportation system, so basic to overcoming the problems of distance: in the region, from other parts of Canada and from ocean ports. The development needs of the northern frontier areas in all four Provinces could also be explored.

The Government recognizes that western Canadians wish to build industrial strength on top of their region's great resource and energy base. As the whole economy continues to grow a greater measure of decentralization of industrial activity will be necessary to achieve this desired regional objective.

The Government believes these and other issues would rank high on an agenda for western development. It would seek as well views and suggestions with regard to the continuing mechanisms for federal-provincial consultations on policies for western expansion, within an overall framework of national growth.

The Government intends to widen the area of service to Canada open to personnel in the Canadian Armed Forces. In addition to maintaining a high degree of military capability as the primary and most essential role of the Forces, new emphasis will be placed on the many areas in which the varied skills and training of this large number of dedicated Canadians can contribute to the achievement of national goals.

You will be asked to amend the Public Service Staff Relations Act and the Public Service Employment Act.

Parliament will be asked to confirm the basic principles of the Government's program for bilingualism in the Public Service.

The Government will continue to work in furtherance of the objectives of the Official Languages Act. Further assistance will be offered to the Provinces to help ensure that to the extent possible:

—Canadians can educate their children in the official language of their choice

—Canadian students can learn, as a second language, the other official language

—Provincial governments can develop an increased capacity to serve their citizens in both official languages, as may be required.

The Government will continue to encourage through its multicultural policy the development of a society in which individuals and groups can develop and express their own cultural identity. An Advisory Council to the Minister of State responsible for multiculturalism will be established.

Measures will be introduced directed at reform of the penal and parole systems to improve prisoner rehabilitation and the protection of the public.

The five-year trial period in which imposition of the death penalty has been limited to cases involving the killing of policemen and prison guards has come to an end. You will be asked to decide, by a free vote and as a matter of urgency, upon the future of the death penalty in the Canadian law enforcement system.

Proposals dealing with conflicts of interest as they may affect Members of Parliament, Ministers of the Crown and Public Servants will be laid before you.

You will be asked to consider an Election Expenses Bill.

The Government will recommend to the House of Commons the broadcasting, by radio and television, of all or a part of its proceedings and the proceedings of its Committees.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget early in the session. It is timely to provide to Parliament a full report on Canada's financial and economic situation, and to propose fiscal and other measures for the effective management of the economy.

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.

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 JANUARY 9

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

Hon. Senators: Dispense.

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

Hon. Leopold Langlois moved, seconded by Hon. Gildas L. Molgat:

> That the Speech of His Excellency the Governor General delivered this day from the Throne to the two Houses of Parliament be taken into consideration on Tuesday, January 9, 1973.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Leopold Langlois moved, seconded by Hon. Gildas L. Molgat:

> 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. Gildas L. Molgat:

> That pursuant to Rule 66, the following senators, to wit: the Honourable Senators Bourget, Choquette, Denis, Flynn, Grosart, Inman, Langlois, Macdonald, Martin, Molgat 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.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, January 9, at 8 o'clock in the evening.

Motion agreed to.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Department of Public Works for the fiscal year ended March 31, 1971, pursuant to section 34 of the Public Works Act, chapter P-38, R.S.C., 1970.

Final Annual Report of proceedings under the Trans-Canada Highway Act covering the period from December 10, 1949 to May 31, 1971, pursuant to section 9 of the said Act, Chapter T-12, R.S.C., 1970.

Report of operations under the Health Resources Fund Act for the fiscal year ended March 31, 1972, pursuant to section 13 of the said Act, chapter H-4, R.S.C., 1970.

Report of expenditures and administration in connection with the Family Allowances Act for the fiscal year ended March 31, 1972, pursuant to section 14 of the said Act, chapter F-1, R.S.C., 1970.

Report of expenditures and administration in connection with the Old Age Security Act for the fiscal year ended March 31, 1972, pursuant to section 26 of the said Act, chapter O-6, R.S.C., 1970.

Report of expenditures and administration in connection with the Youth Allowances Act for the fiscal year ended March 31, 1972, pursuant to section 13 of the said Act, chapter Y-1, R.S.C., 1970.

Statements of receipts and expenditures under Part V (Sick Mariners) of the Canada Shipping Act for the fiscal years ended March 31, 1971 and 1972, pursuant to section 306 of the said Act, chapter S-9, R.S.C., 1970.

Copies of Order in Council P.C. 1972-1873, dated August 29, 1972, amending Part II of the Scnedule to the Hazardous Products Act, pursuant to section 8(3) of the said Act, chapter H-3, R.S.C., 1970.

Report of expenditures and administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1971, pursuant to section 8 of the said Act, chapter U-1, R.S.C., 1970.

Report of the Solicitor General of Canada for the fiscal year ended March 31, 1972, pursuant to section 5 of the Department of the Solicitor General Act, chapter S-12, R.S.C., 1970.

Auditor General's reports to the Solicitor General on the examination of the accounts and financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund for the fiscal years ended March 31, 1971 and 1972, pursuant to section 55(4) of the Royal Canadian Mounted Police Pension Continuation Act, chapter R-10, R.S.C., 1970.

Report of the Department of External Affairs for the year ended December 31, 1971, pursuant to section 6 of the Department of External Affairs Act, chapter E-20, R.S.C., 1970.

Report of the International Development Research Centre, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 22 of the International Development Research Centre Act, chapter 21 (1st Supplement), R.S.C., 1970.

Report of the Economic Council of Canada, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 21(1) of the Economic Council of Canada Act, chapter E-1, and section 75(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada on Co-operative Credit Societies for the year ended December 31, 1971, pursuant to section 57 of the Co-operative Credit Associations Act, chapter C-29, R.S.C., 1970.

Report of the President and statement of accounts of the Industrial Development Bank for the fiscal year ended September 30, 1972, pursuant to section 30(4) of the Industrial Development Bank Act, chapter I-9, R.S.C., 1970.

Report of the Board of Trustees of the Queen Elizabeth II Canadian Fund to Aid in Research on the Diseases of Children, including the Auditor General's Report on the financial statements of the Board, for the fiscal year ended March 31, 1972, pursuant to section 15 of the Queen Elizabeth II Canadian Research Fund Act, chapter Q-1, R.S.C., 1970.

Report on the administration of the Canada Assistance Plan for the fiscal year ended March 31, 1971, pursuant to section 19, chapter C-1, R.S.C., 1970.

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1971, pursuant to section 13 of the Department of National Health and Welfare Act, chapter N-9, R.S.C., 1970.

Public Accounts of Canada, Volumes I, II and III, for the fiscal year ended March 31, 1972, pursuant to section 55 (1) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Canadian Grain Commission for the year ended December 31, 1971, pursuant to section 14 of the Canada Grain Act, chapter 7, Statutes of Canada, 1970-71-72.

Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1971, pursuant to section 10 of the Department of Consumer and Corporate Affairs Act, chapter C-27, R.S.C., 1970.

Copies of Letters Patent issued to Telesat Canada on November 15, 1972, pursuant to section 33(2) of the Telesat Canada Act, chapter T-4, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada, Volume I, Abstract of Statements of Insurance Companies in Canada, for the year ended December 31, 1971, pursuant to section 8 of the Department of Insurance Act, chapter I-17, R.S.C., 1970.

Report on the administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1972, pursuant to section 10 of the said Act, chapter E-5, R.S.C., 1970.

Reports of the Department of Veterans Affairs and of the Canadian Pension Commission for the fiscal year ended March 31, 1972, pursuant to section 8 of the Department of Veterans Affairs Act, chapter V-1, and section 4(2) of the Pension Act, chapter P-7, R.S.C., 1970, including reports of the Pension Review Board, the War Veterans Allowance Board and the Bureau of Pensions Advocates for the same period.

Copies of contracts between the Government of Canada and the following municipalities 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).—

Antigonish, Nova Scotia

Leduc, Alberta

Parkdale, P.E.I.

Sherwood, P.E.I.

Spruce Grove, Alberta.

Report of the Canadian Broadcasting Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 47 of the Broadcasting Act, chapter B-11, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

The Senate adjourned until Tuesday, January 9 at 8 p.m.

THE SENATE

Tuesday, January 9, 1973

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

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table the report of the Parliamentary Librarian to the First Session of the Twenty-ninth Parliament, 1973.

Hon. Paul Martin: Honourable senators, last year, when the report of the Librarian was tabled, it was proposed by Senator Fergusson that that report be made an appendix to the *Minutes of the Proceedings* of the Senate. I would ask that the report just tabled by the Speaker be printed as an appendix to the *Minutes of the Proceedings* of the Senate of this day.

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

Hon. Senators: Agreed.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Dominion Bureau of Statistics for the fiscal year ended March 31, 1971, pursuant to section 4(3) of the Statistics Act, chapter 15, Statutes of Canada, 1970-71-72.

Report on the administration of the Industrial Research and Development Incentives Act for the fiscal year ended March 31, 1972, pursuant to section 17 of the said act, chapter I-10, R.S.C., 1970.

Report of the Fisheries Research Board of Canada for the year ended December 31, 1971, pursuant to section 12 of the Fisheries Research Board Act, chapter F-24, R.S.C., 1970.

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1972, pursuant to section 7 of the Fisheries Prices Support Act, chapter F-23, R.S.C., 1970.

Copies of Ordinances, Chapters 17 to 25, inclusive, passed by the Council of the Northwest Territories during the continuation of the 47th Session of the Council held at Frobisher Bay, October 11 to 13, 1972, pursuant to section 16(1) of the Northwest Territories Act, chapter N-22, R.S.C., 1970, together with copy of Order in Council P.C. 1972-2718, dated November 23, 1972, approving same. (English text).

Statement of apportionment and adjustments of Seed Grain, Fodder for Animals and other Relief Indebtedness for the period February 16, 1972 to January 4, 1973, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. Nil Return.

Statement of all monies refunded under the authority of The Refunds (Natural Resources) Act for the period February 16, 1972 to January 4, 1973, pursuant to section 3 of the said act, chapter 35, Statutes of Canada, 1932. Nil Return.

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31, 1972, pursuant to section 49 of the said act, chapter C-23, R.S.C., 1970.

Statement showing Classification of Loans in Canadian Currency of the Chartered Banks of Canada as at September 30, 1972, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

Statement showing Classification of Deposit Liabilities Payable in Canadian Currency of the Chartered Banks of Canada as at April 30, 1972, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1972, pursuant to section 10 of the Eastern Rocky Mountain Forest Conservation Act, chapter 59, Statutes of Canada, 1947.

Supplementary Estimates (A) for the fiscal year ending March 31, 1973.

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1971, pursuant to section 6 of the Department of State Act, chapter S-15, R.S.C., 1970.

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)(h):

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

Hon. Jacques Flynn: May I ask the mover of the motion or the Leader of the Government if it is expected that we will have some legislation to deal with at the end of these eight days, and if that is the reason for shortening the debate or for imposing some sort of closure?

• (2010)

Hon. Paul Martin: Honourable senators, at this moment I cannot say what we will be doing at the end of this debate. However, we embarked on the eight-day rule three sessions ago. Certainly there will be a resolution before us at some stage, but I cannot say at which point. This arises out of a proposal which has been already initiated in the other place for the establishment of a joint

committee to inquire into food prices. It may be there will be some legislation. However, at this stage I cannot say.

Hon. Mr. Flynn: Then there is no definite argument in favour of the motion?

Hon. Mr. Martin: Yes, there is the argument of orderliness and the argument that this has been the practice during the past three years. I think this in itself is a strong argument.

Hon. Mr. Flynn: It is not very convincing, in any event.

Hon. Mr. Martin: I anticipate the continued good humour and zeal which now attends the Leader of the Opposition in the prosecution of his duties.

Motion agreed to.

CRIMINAL CODE

ABOLITION OF CAPITAL PUNISHMENT—QUESTION

Hon. Jacques Flynn: Honourable senators, in view of the fact that the legislation abolishing the death penalty in murder cases, except those involving the murder of policemen, lapsed at the end of 1972, I should like to ask the Leader of the Government what will be government policy with respect to the imposition of the death penalty until Parliament has made a decision regarding it?

Hon. Paul Martin: The Solicitor General will be bringing forward a measure to deal with this matter in the other place at the earliest moment.

Hon. Mr. Flynn: Yes, but I am inquiring as to what will happen during the interim—until Parliament makes a decision.

Hon. Mr. Martin: The Governor in Council will continue, as in the past, to deal with these questions on the basis of the existing law and in light of an examination of all the facts involved in each particular case.

Hon. Mr. Flynn: Do I understand your answer to mean that the death penalty will not be imposed, regardless of the law, until Parliament has made a decision?

Hon. Mr. Martin: As I said, it will depend upon an examination by the Governor in Council of the facts in each case.

Hon. Mr. Langlois: And not despite the law.

Hon. Mr. Flynn: That is a vague answer.

HONOURABLE EDGAR E. FOURNIER

RETURN TO CHAMBER AFTER ILLNESS

Hon. Edgar E. Fournier: Honourable senators, I wish to rise on a question of privilege. After an absence of 26 months it is with pleasure that I resume my seat in this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Fournier: I wish to thank honourable senators and members of the staff who tended to my care during those difficult moments.

On November 25, 1970, while having breakfast in the Parliamentary Restaurant with some members of the house, I was suddenly, and most unexpectedly, struck with a very severe case of paralysis.

At this moment, I wish to thank the Honourable Hugh John Flemming, with whom I had the privilege to sit and who saw fit to escort me to my room. He called the Senate nurse, Miss Lepine, who made the hospital arrangements. My thanks go to Miss Lepine and Constables Hull and Champagne, who gave me my first wheel-chair ride with safety, security and dignity.

My thanks go to all honourable senators for their kind tributes of flowers, cards, visits and telephone calls; to Senator Martin, who took the time to visit me in my room in the hospital; and to Senator Flynn, with whose office I was in constant touch. I also thank many members of the staff and my secretary, Mrs. Lafrenière. I am grateful to Mr. Roger Lalonde, who made sure that my whiskers did not grow beyond the permissible Senate allowance. This is typical of the friendship one can find in the Senate.

I extend special thanks to Senator Croll. I regret very much that I became ill just at the time when the chips were down and the Poverty Committee was going through most unpleasant and difficult moments. Senator Croll was more than a father to me when I was hospitalized. I hope to have the opportunity to say a few words on this matter and thank him more generously in the near future.

To everyone my most sincere thanks. I must not overlook Dr. Preston and his staff at the Ottawa Civic Hospital, who performed a surgical operation to remove a blood clot which was lodged in an artery, and which has left me with permanent brain cell damage. However, I always knew that there was something abnormal with my brain, which has not changed very much.

Last but not least, thanks to the good Lord, for he has the last word and controls our destiny. May I only say that I consider myself privileged, as it could have been much worse.

To further the complications, a stay in Fredericton, which was to be short, lasted six weeks. On October 22, 1971, I had a stroke, known as an acute inferior wall myocardiac infarction, mainly due to an excess of effort, both physical and mental, in trying to recover from the paralysis. I had to start from zero, not being able to even write my own name.

So, honourable senators, while I may not have too many visible marks except difficulty in speaking, I now have to adjust myself to living with some 30 per cent permanent disability in writing, and walking with the assistance of a cane. I have lost 70 pounds by following a very severe diet.

[*Translation*]

Here in a few words, honourable senators, is the summary of my physical condition and the efforts I have made to fight problems that will always be with me. I accept them all in good heart and I thank Divine Providence that my recovery has surpassed all expectations.

When I compare myself to some of my fellow Canadians who have known the same fate I consider myself well off and I thank the good Lord.

• (2020)

[*English*]

HONOURABLE PAUL MARTIN, P.C.
HONOURABLE EUGENE A. FORSEY

FELICITATIONS ON APPOINTMENT AS UNIVERSITY CHANCELLORS

Hon. J. Campbell Haig: Honourable senators, before the Orders of the Day are called, I should like to call your attention to two events which occurred recently. They were the installation of the Honourable Paul Martin as Chancellor of Waterloo Lutheran University and of the Honourable Eugene A. Forsey as Chancellor of Trent University.

I am sure that all honourable senators would wish to join me in complimenting the aforementioned universities for their excellent choice in selecting those two gentlemen as their Chancellors. We are all aware that universities are currently facing a difficult problem with regard to decrease in enrolment, depleted revenues, and professional tenure. We are confident that the two honourable senators I have mentioned will fulfil the position of Chancellor at their respective universities with honour and dignity, and we extend congratulations to the universities and their new Chancellors.

Hon. Senators: Hear, hear.

Hon. Paul Martin: Honourable senators, I do not think I have any authority under the statutes of Trent University to speak for Senator Forsey. I am sure that he himself will acknowledge with gratitude the intervention made by Senator Haig, and I thank Senator Haig for his references to me.

WELCOME TO SENATORS AFTER ILLNESSES

[*Translation*]

Honourable senators, we are very glad to see Senator Fournier (Madawaska-Restigouche) in his seat.

I think this is the second time that I express great pleasure to see him back with us. We are certainly very happy to see that he is in such good health.

I think he came back at this particular time because he is aware that this is a unique opportunity for him to voice constructive criticisms about the government of this country.

[*English*]

We all welcome the return to the Senate chamber of Senator Edgar Fournier who with great heroism has resisted an illness which took hold of him over a year and a half ago. We are happy to see him in his place today. I am sure that his good health and his return has been hastened by the fact that he wishes to join with his leader in pointing out to the government its many good virtues.

I also express to Senator Harold Connolly our delight in seeing him in this chamber at the opening of Parliament following a serious illness. Senator Connolly attended the opening ceremonies seated in a wheelchair; but his heart and mind are good. We were very pleased to see him.

We welcome also the return of Senator McLean, who with great heroism and fortitude has likewise vanquished an illness which sought to overcome him. He is back in this chamber cheerful and resolute to take part in our proceedings.

[Hon. Mr. Fournier.]

LABOUR RELATIONS

WEST COAST PORTS OPERATIONS—QUESTION

Hon. Jacques Flynn: Honourable senators, I am not certain whether the question period is over, but before I put a question to the Leader of the Government I would like to associate myself with the good wishes extended to Senators Fournier, McLean and Connolly.

My question concerns the bill, passed by the Senate on the last day of the last session of the Twenty-eighth Parliament, ordering stevedores on the west coast to return to work. That order was valid until December 31, 1972. I am wondering if that problem has been settled, or if there is any danger of the strike being resumed and the government being forced against its will, as it was then, to pass appropriate legislation.

Hon. Paul Martin: The Leader of the Opposition was kind enough to give me notice, but he did not give it to me in time. Therefore, I will take the question as notice.

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. Henry D. Hicks moved, seconded by Hon. Paul C. Lafond:

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

He said: Honourable senators, in rising to address myself to this motion and to support it, I am particularly pleased, first of all, to be able to express my congratulations and good wishes to the Honourable Senator Muriel McQueen Fergusson, our Speaker at this the First Session of the Twenty-ninth Parliament of Canada.

I am particularly pleased to congratulate Senator Fergusson on her being elevated to this high office as I have had a long association with her in various capacities.

Although I did not know Senator Fergusson during the period when she was a prominent member of the New Brunswick bar, we later met when we were both regents of Mount Allison University in Sackville, New Brunswick. It is particularly appropriate that a graduate of Mount Allison University should be the first woman to become Speaker of either this house or the other place.

Hon. Senators: Hear, hear.

Hon. Mr. Hicks: It is a distinction which Senator Fergusson deserves, regardless of her sex, but which, as I say, is particularly appropriate for her as a graduate of Mount Allison University.

In 1875 Mount Allison University became the first university in the British Empire to grant a Bachelor's degree to a woman. In that instance it was a Bachelor of Science degree, and that was followed, seven years later in 1882, by the first Bachelor of Arts degree ever awarded to a woman by any university in Canada. Mount Allison has apparently continued its excellent tradition of featuring the ladies. Of the eight women who are members of this body, three are graduates of Mount Allison University, those being, in addition to Her Honour the Speaker, the Honourable Senator Norrie, and the Honourable Senator Neiman who, as honourable senators are aware, took her oath of office just a few days ago.

May I take this opportunity, Madam Speaker, to wish you a long and successful tenure of office as the presiding officer of this body, particularly at this time when such a wish carries significant overtones and undertones, which I am sure will not escape honourable senators.

• (2030)

Unhappily I must now refer to the death of a most unusual Canadian. The Right Honourable Lester B. Pearson will be appreciated in retrospect by Canadians and by Canadian historians to perhaps a greater extent than he ever was by his Canadian contemporaries during his lifetime. I need not refer to his distinguished career as a sportsman, a teacher, an outstanding public servant, a minister of government, an international statesman, and finally as the Prime Minister of his country. The facts are well known, and have been movingly and eloquently placed on the record here by the government leader, Senator Martin, on Thursday last.

In a very real sense Mr. Pearson is the first Canadian to have achieved the status of a world statesman. It is true that Sir Wilfrid Laurier and, perhaps to a greater extent, Sir Robert Borden and William Lyon Mackenzie King, established and maintained a reputation of distinction outside Canada, but their activities were confined almost entirely to Canada's position in the Commonwealth. Even if he had not been recognized by the award of the Nobel Peace Prize, Mike Pearson's skilful diplomacy, culminating in his brilliant leadership in the United Nations, ranked him as a world figure to a degree that cannot be attributed to any other Canadian in our history.

It is popular for journalists and some others to say that he did not achieve the same distinction as a leader within Canada. Here again, I suspect the record will prove these people wrong. It is true that his leadership was not marked by an ostentatious use of or love of power, nor that showy decisiveness which the press and the public so easily recognize. He had none of the arrogance or obvious self-importance which many people associate with leadership. At the same time, he managed the affairs of this nation under the most trying and difficult circumstances with a skill that is really only understood when one examines his achievements.

If he was not an ostentatiously decisive and strong leader, nevertheless he never lost sight of the goals he set for himself and his administration. What other Canadian Prime Minister in so short a period managed to make so many changes in the Canadian pattern of life—a new flag for Canada, a national pension plan, the Canada Assistance Plan, a guaranteed income for old age pensioners, collective bargaining in the federal Public Service? Added to these were the unification of the armed services, the doubling of Canada's external aid, and the establishment of the foundations for a bilingual Public Service. If this was not strong leadership, it was certainly effective leadership and effective government.

Canada needs more men of this stature, and I am sure that the whole nation, regardless of differing attitudes towards him during his lifetime, mourns his passing, extends sympathy to the members of his family, and takes pride in the achievements of a man who enhanced Canada's name and reputation throughout the world.

For more than nine years, since I have been President of Dalhousie University, there have been in my office the pictures of only two men. One is of the first President of Dalhousie University, the Reverend Thomas H. McCulloch—a not inconsiderable public figure and reformer during the early years of the nineteenth century, and an associate of Joseph Howe in the struggle for responsible government in Nova Scotia—the other is of Lester B. Pearson, given to me before he became leader of the Liberal Party in Canada. Hence my reference to him might have been more personal because of the long-standing friendship which he gave to me, as he did to so many others.

Lester Pearson had the capacity to listen without necessarily being swayed, and then to weigh and consider. This may have been interpreted by some as indecisiveness. It is true that he always saw the other side of any argument he advanced or policy he proposed, but surely this is strength and realism rather than indecisiveness. There are different kinds and styles of leadership, and if his was not always the kind that fits popular fancy I submit it was the kind that was good for Canada, and for this Parliament during a most difficult period.

I have already referred to the moving and eloquent tribute paid to the late Lester B. Pearson by the government leader in the Senate on Thursday last. I owe it to Mr. Pearson and Senator Martin for having been chosen to lead the Canadian delegations to two UNESCO general conferences in Paris. I thank both of them—particularly Senator Martin, who is here with us now—for the confidence that they placed in me, and particularly for the wide scope of authority allowed to me as the leader of the Canadian delegations.

It is an honour to me to come to the Senate under the leadership of Senator Martin. He is a man whom I have always admired greatly. As has been said before and recently, he is a man who has given virtually the whole of his adult life and career to the public service of his country, in varying capacities. Like politicians who have done this, he has had his successes and also his disappointments. But the fine thing about Senator Martin is that his successes have never turned his head, nor have his disappointments ever daunted him. I consider it an honour to serve in the Senate under his leadership.

Honourable senators, the circumstances of our meeting in this First Session of the Twenty-ninth Parliament

present some surprising contrasts to the situation which obtained when I was summoned to the Senate and took my place in mid-May of 1972, shortly before dissolution. Undoubtedly, we—and particularly those in the other place—face interesting months ahead. It seems to me that the people of Canada expect, and are entitled to expect, Parliament and its members, both here and in the other place, to put the best interests of Canada and its people ahead of all other considerations. I am sure that this will be our aim.

Turning to the Speech which His Excellency addressed to us on Thursday last, I am pleased to note, first of all, the references to Canada's international involvements. On the political side, it is true that Canada may not during the sixties have exercised the same influence on world affairs and in the councils of the nations as we did in the late forties and the fifties. The circumstances are understandable. Canada's unusually strong position following the end of World War II probably could not be sustained by a country of only 20 million people, but I submit that Canada still has important and highly significant roles to play in the world of international politics, and I welcome the declared interest of our government in stating that it intends to pursue Canada's role with vigour in this area.

In so far as Canada's participation as one of the great trading nations of the world is concerned, I am sure that we are all glad that Canada plays its part in such outstanding international organizations as those dealing with the international monetary system, so important to every trading nation and particularly to a trading nation like our own, living as the neighbour to the the most powerful nation in the free world and perhaps in the whole world today. I am pleased that the Government of Canada now has adopted such a concerned attitude towards the European Common Market. We shall all await with interest the discussions that take place to determine, during the months and years ahead, exactly how this will affect Canada, and how Canada can manage its position in relation to the European Common Market to its own best interests and, hopefully, to the mutual advantage of all those concerned.

Nevertheless, whenever we start discussing Canada's involvement with other nations, we always come to a consideration of Canada's relationship with the United States of America. Here of course there are many complex problems. We boast about the friendly relationships between our two countries. At the same time, a good deal of suspicion of American domination of our economy, and sometimes of our culture, is bound to be foremost in the minds of Canadians.

Of course, to persons from my part of Canada, the action, or the proposed action, of the Government of the United States, in imposing a 6.6 per cent ad valorem duty on Michelin tires made in Nova Scotia, is a matter of great concern. I hope that the government of this country will discuss vigorously with our American friends the rationale of this move and the necessity for its continuance, because it may be very important indeed to an industry providing a livelihood to a great many people and a real stimulus to the economy of the province from which I come.

[Hon. Mr. Hicks.]

May I suggest that we should deal with the United States in an atmosphere of friendliness, but also in an atmosphere of firmness. We should never forget, in our dealings with the United States, that she needs many of our products and many of our resources—our water resources, our electric power, our gas and oil resources, to mention but a few—and the United States should not be allowed, in the long or even the medium term of time, to have access to those resources on her own terms while at the same time discriminating unfairly against any aspect of the Canadian economy, and particularly discriminating against secondary industry in Canada.

I hope, therefore, that the references in His Excellency's Speech really do presage vigorous action, informed and firm negotiations, on the part of the Government of Canada in dealing with our great neighbour to the south.

Most of the Speech, however, deals with domestic problems and it seems to me that the key to His Excellency's Speech this year is to be found in the paragraph which reads:

> At home, the Government remains fully committed to two pre-eminent goals, national unity and equality of opportunity for all Canadians.
>
> In pursuit of these goals, the Government assigns the highest priority to two policy areas:
>
> —economic policy, to reduce unemployment, contain inflation and strengthen the economy generally
>
> —social policy, to bring about, in consultation with the Provinces, a re-organization of existing social security programs.

National unity is, of course, of concern to every Canadian, to every member of this Parliament, both in the other place and here. That must be so, because surely if this Parliament does not stand for one nation indivisible, how can we expect the nation to stand? Here I feel constrained to say that I am concerned about the lack of assistance which in this country is given to the idea and image of national unity by the press and the media generally.

I remember very well what a friend of mine, a distinguished professor at the University of Toronto, said at the time of the last visit of the Queen to the City of Quebec. You may remember, honourable senators, it had been rumoured that nasty incidents would take place. In fact no such incidents took place, except those which some press members deliberately tried to stir up in order to make their own stories. At that time my friend, the Toronto professor, said, "It almost seems that the press and other media of this country have a death wish for the nation."

• (2040)

I am one of those who believe, with every fibre of their being, in the freedom of the press and the freedom of expression. I do not think that there is much point in censorship by law, because it is very difficult to enforce and almost always does more harm than good. But I do think that the freedom of the press and freedom of the mass media must be coupled with a correlative sense of responsibility. While I would defend the right of individual newspapers to take any view they like—even to taking and expounding views which might be divisive in the country, in so far as they do not transgress the laws of

sedition and treason—I do think a special case can be made for an organization like the Canadian Broadcasting Corporation, which is supported by the taxpayers of this country through the Parliament of Canada. When such a large proportion of its revenues comes from the taxpayers, it seems to me that we ought to be able to expect a higher standard of reporting and interviewing of our prominent public figures from that body. Moreover, we ought to be able to expect at least this agency to attempt to promote the unity of Canada rather than to underline all the divisive elements which are bound to crop up in such a diverse society as we have in Canada today.

It seems to me that to some extent the one who pays the piper should be entitled to call the tune. Therefore, while the largest measure of freedom to speak in a disruptive manner about our country and our nation, even to denigrate our flag and our national anthem and Canadian life generally, ought to be allowed to private agencies, I do not think that the people of Canada, through their national Parliament, should support an agency which places a disproportionate emphasis on disruptive reporting as often as, I regret to say, the Canadian Broadcasting Corporation does.

I also wish that the quality of their reporting and interviewing was better. To give two examples: only a few nights ago after the opening of Parliament a group of reporters or interviewers on that great national network interviewed the Leader of the New Democratic Party. It seemed a shame to me that the leader of any political party in Canada should have to go through an interview by such people, not because they were hard on him, but because they knew so little about the issues on which they were challenging him. Perhaps it is a matter of some satisfaction that the politician came out on top, showing himself to be so much more able in the area of discussion than were any of those who were interviewing him. Nevertheless, at the same time it seemed that the Canadian Broadcasting Corporation ought to have been able to put together a better team than that to deal with such an able and intelligent person as David Lewis, the Leader of the New Democratic Party of Canada.

Some time within the last year or two I saw an interview of the present Prime Minister of Canada in which the interviewer was trying to make some point vis-à-vis Mr. Trudeau, which depended upon a system of government such as obtains in the United States. Mr. Trudeau tried to explain to the interviewer the difference between the congressional system of government in the United States and the system of representative parliamentary democracy which we have in Canada. The interviewer had no idea of the distinction between the two systems, and perhaps he did not want to learn, because if he had appreciated the distinction he would have realized that the point he was trying to make against the Prime Minister had no validity whatsoever.

In my opinion, when the Prime Minister of Canada goes on a national network, particularly the national network of the Canadian Broadcasting Corporation, he is entitled to have people who are well informed to discuss the issues of the day with him. If he has been criticized for giving lectures on constitutional law to reporters and radio interviewers, then all I can say is that there is ample evidence that it was necessary for someone to give them those lessons, though the lessons ought to have been given to them previously by someone other than the Prime Minister of Canada.

Admittedly, it is a long time since I saw that program and I could be wrong in saying it was on the CBC. It might have been carried by the Canadian Television network, the CTV, and not the CBC. If that is the case, I would say that there is not as much blame to be attached to the CTV, because I do not think that this Parliament has the right to require the same kind of standards from the CTV as it does from the Canadian Broadcasting Corporation.

The media do not like to be criticized. Indeed, it was suggested to me that I should be careful in referring to them at all. Someone even used the expression, "They will crucify you." Well, in the first instance I do not see that there is much point in trying to crucify a member of this august chamber, and, in the second place, I want to make it very clear that, when members of the press accuse leading political figures of arrogance and other attributes of that nature, they should realize that no one can be more arrogant than a member of the press who holds himself beyond criticism. I hope that these comments which I have made will be regarded as a constructive rather than destructive accusation.

I come now to the section of the Address which has to do with economic policy in Canada. Indeed, the economic policy and social policy aspects are closely linked, but, if I may deal with one or two of those having to do with economic policy, the Speech goes on to say:

> In the area of economic policy, the Government has four main objectives.

It then lists those objectives and I shall not read them to you.

Among the remedies that are proposed are further amendments to the Income Tax Act. These, I think, are of the greatest importance. Indeed, I am concerned about the present Income Tax Act and its operation. We all know that the Royal Commission on Taxation, chaired by Kenneth Carter, was appointed in September, 1962, a long time ago now, by the Diefenbaker government. The Honourable Edgar Benson, under Prime Minister Trudeau, tabled his White Paper on Tax Reform on November 7, 1969, not so long ago, but almost three years after the Carter Commission had reported. The present act is, I believe, a direct result of that white paper.

I find the act most difficult to understand, and, what worries me even more, a good many of my chartered accountant friends tell me that the act is difficult to understand.

Much has been written on the act during the past year, but it seems to me that it will be many months, if not years, before a clear understanding is possible concerning the many diverse interpretations being placed on the various complex sections of this act.

In addition to being burdened—be he an individual, a small businessman or a large businessman— with the multiplicity of forms, the taxpayer now finds himself in the position that because the act is so complicated, he can no longer understand it and will have to seek professional

advice in order to file his returns properly. It is of little comfort to go to the department for an explanation, because they are the tax gatherers.

An example of one provision in the new act which is frustrating the small businessman is the small business deduction, which, presumably, was designed as an incentive to small businesses. The small business deduction reduces the rate of tax from 50 per cent to 25 per cent on the first $50,000 of active business income, under section 125 of the act. However, if the small business invests its surplus funds in what are known as ineligible investments, then, to the extent that its funds have been invested in such ineligible investments, the deduction is not allowed to the business and the tax rate therefore goes back up to 50 per cent. In my opinion the average small businessman will not be encouraged, because of this, to retain the profits of his business for future expansion, but will be tempted to draw them out and spend them because there is no incentive for him to leave these profits in the business.

• (2050)

Honourable senators, there are some other nicely worded sections also, such as section 188 and section 189 concerning the exemption from tax if these profits are to be put into investments that are allied to the type of business that is operated, or into short term deposits, but, in fact, this is rarely done. All the new act does is encourage people to pay out their profits so that the government can get the maximum tax—a laudable object in itself that governments cannot ignore, but there are other considerations that ought to be taken into account.

In the December issue of *Current Affairs*, a publication of the Canada Trust, there is an article on this very same subject under the heading "Wanted—Bookkeepers Galore." In the great days of England it was said she was a nation of shopkeepers. Now, I am not downgrading bookkeepers in any way when I say this, but I do not want us to become a nation of bookkeepers. I hope that the amendments referred to so far as income tax is concerned may in as brief a time as possible effect some simplication in a piece of legislation which seems to all who have attempted to understand it so far to be incredibly complex—a paradise, perhaps, for the bureaucrat, but not at all a paradise for the small businessman and the individual taxpayer in Canada. I attach great importance to this, and I think the fate of this Parliament and, indeed, the fate of this government, could be involved in the public reaction to the new Income Tax Act.

Turning from this point, honourable senators, but still referring to small business, I am glad to see that references are made to the provision of managerial and consulting services for small businesses, and I hope that this will entail more than the mere provision of the bookkeepers that may be needed as a result of the new income tax legislation.

I am more happy about the operation of the DREE program—the Department of Regional Economic Expansion—than many of those who have written about it so far and many of those who talked about it during the recent election campaign. This is an imaginative program designed to tackle one of the basic problems in Canada, and it seems to me to be inevitable that it should take some time to operate satisfactorily, and to operate in such a way that there would follow a proper balance as between the various parts and regions of Canada and their ability to avail themselves of the operation of the DREE program. I do not think we should be unduly apologetic about the false starts that may have been made, or about the uneven development that may have occurred, as a result of the activities of this department to date. But in my view we ought continually to re-examine it, and make constructive changes where necessary. I think we should look to the future with confidence, placing further reliance on this department to help out in providing a more nearly equal opportunity for Canadians in all parts of the country.

Honourable senators, I think the sections of the Speech from the Throne referring to research and development programs are very important. We must remember that this country among all the developed countries of the world finds itself in the situation where a major proportion of its research and development money comes from government agencies. This is perhaps not unnatural when we realize how many of our industries are "branch plants" and have research budgets elsewhere, largely in the United States, and spend very little of their research funds in Canada. Therefore it has been traditionally necessary for the Government of Canada and for the governments of the provinces to spend more of their resources in research and development and incentive programs than has been the case in most of the other developed countries in the world.

• (2100)

I shall watch with interest, as I am sure all of us will, for any programs which may be developed which will provide incentive for private citizens, investors and corporations other than government agencies, to undertake a larger proportion of the useful work which can be done in the area of research and development.

Finally, with reference to the economic policy section of the Speech from the Throne, I note with interest that a proposal is made to amend the Canada Corporations Act whereby a majority of Canadian directors will be required. Already some members of the press have said this is mere tokenism, that in the interests of the company Canadian directors will look only to good business practice. I feel they should. I think it is important that the Canadian business community continue to provide men to occupy positions on boards of companies incorporated under the Canada Corporations Act who can pull their weight and exert their influence. It is not always, and indeed it is not often, that the interests of a particular corporation are counter to national interests. However, I think it is reassuring for us to know that corporations which are largely controlled and owned abroad are, nevertheless, governed or directed by persons whose interests are in Canada, and who are themselves Canadians. I think this is a forward step and one from which we should not shy away. Many other countries have done this long ago. Generally, I think it has made foreign capital in those countries more acceptable to the citizens of the countries concerned.

Dealing with the section regarding social policy, the Speech enunciates five policies basic to the government's

commitment in this area. Unemployment, with its alleviation, constitutes the largest and most discussed factor underlying the five points. No one wishes to make light of the plight of the unemployed. However, I think it does not hurt to remind ourselves that their plight is certainly much more favourable than was the situation in the 1930s. I am sure all of us are glad that government measures, while they may not be perfect, and while they may permit certain abuses, have made forever impossible the situation which existed during those dark years following the stock market crash in 1929, from which this country did not fully recover until the years of World War II.

The government has been criticized, as one would expect, for the level of unemployment in this country; and no one can take satisfaction from the unemployment figures which averaged around 6 per cent during a large portion of the 1960s. The government also has been criticized for the level of control or lack of control of assistance to the unemployed. The Prime Minister has often referred to his goal of achieving a just society. In striving for this just society the government may have erred on the side of mercy by developing a compassionate society. Even so, this is to be preferred to the situation which existed in the 1930s, even if there are some abuses. I am glad the government recognizes the need to review and reappraise the unemployment insurance system as well as other related social and welfare measures.

Let me say a word regarding the employment situation in Canada over the decade of the 1960s. Here I shall place on record figures which I have derived from the Canadian Imperial Bank of Commerce Commercial Letter of September/October, 1972, which contains an article entitled *The Canadian Economy, 1972-73.* The table is as follows:

	1962	1971	% Increase
Population of Canada	18,583	21,568	16.1
Total civilian labour force	6,615	8,631	30.5
Employment	6,225	8,079	29.8
Unemployment rate (%) (Annual Average)	5.9%	6.4%	

All figures, except percentages, in thousands.

• (2110)

The figures to which I wish to call your attention in this table have to do, first of all, with Canada's population growth from 1962 to 1971, which was, approximately, from 18.5 million to 21.5 million, an increase of 16.1 per cent. The trend into 1972, I read in the newspaper today, by the way, is approximately at the same rate of growth. The total Canadian labour force during the same period increased by over two million but, since this was from 6.6 million to 8.6 million, it was an increase of 30.5 percentage points, nearly twice the increase in the labour force as compared to the increase in our total population. The employment increase was from 6,225,000 in 1962 to 8,079,000 in 1971. These are yearly averages, for an increase of 29.8 per cent. In other words, of that large increase in the labour force, nearly twice the rate of general population growth, all but 0.7 per cent was absorbed into employment, a not inconsiderable record, even though during this period of abnormal growth our unemployment rate increased from an annual average of 5.9 per cent for the 1962 year to 6.4 per cent for the 1971 year.

In moving this motion in February 1972 in this place, Senator Buckwold referred to a statement which had been made by the Executive Vice-President and General Manager of the Bank of Montreal, which I think is worth repeating:

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

That is a group of countries whose population is more than five times that of Canada, but we will be adding to our work force, according to this prognostication, in the 1970s more persons than the total of those countries. It seems to me that this is a highly significant fact and that while none of us can take comfort from our unemployment figures, we should take pride in the rapid growth in the economy and of the labour force of this country, and in our ability to absorb nearly all the increase into the labour force. Surely as soon as there is the slightest levelling off in this population growth the unemployment figures in Canada ought to be much better. In the meantime, however, it seems to me that we should be as generous as possible in making available a decent living, a respectable and honourable living to those people who are unfortunate enough to be caught in the rolls of the unemployed at this time. It is not much consolation for an unemployed person to be told that the figures have dropped from 6 per cent to 3 per cent if he is included in the 3 per cent. I am sure we are all anxious that all measures should be adopted to improve the situation by means of the short-term methods which have been referred to in the Speech from the Throne and by the longer-term incentives which seem to be to be even more important.

Other specific proposals on which I should like to comment briefly have to do with the social policy of the country.

Hon. Mr. O'Leary: May I ask the honourable senator a question? Will he give us the benefit of his wisdom with respect to inflation and will he agree with the Prime Minister that six months ago it was licked?

Hon. Mr. Hicks: I do not believe that is a question that requires an answer, honourable senators.

Hon. Mr. O'Leary: Do you agree with the Prime Minister's statement that inflation was licked in this country six months ago? That is a question.

Hon. Mr. Hicks: Are you asking me whether the Prime Minister said it or not?

Hon. Mr. O'Leary: I am asking you whether you agree with the Prime Minister, who said six months ago that inflation in this country had been licked. Do you agree with that, or do you not? What is the answer?

Hon. Mr. Hicks: No, I cannot agree with that statement at the present time. If it did appear that way six months

ago, there has been evidence since then that it had not been licked.

Hon. Mr. O'Leary: He was wrong.

Hon. Mr. Hicks: I do not hold that the Prime Minister is infallible, any more than I regard myself or the Honourable Senator O'Leary as infallible.

Hon. Mr. O'Leary: You are quite right, but I am asking you about the Prime Minister, whether you agree with him and you said you do not.

Hon. Mr. Hicks: I do not agree that inflation has been licked, certainly not.

Hon. Mr. O'Leary: Good.

Hon. Mr. Hicks: However, it is only fair to say that I was not referring to inflation at all, but to unemployment.

Hon. Mr. O'Leary: I asked you if you would give us the benefit of your wisdom with respect to it. You had been referring to unemployment and giving some very crazy figures.

Hon. Mr. Hicks: I was giving figures with respect to unemployment which I think are irrefutable, without minimizing the difficulties of the unemployment situation.

Hon. Mr. O'Leary: Some of us are going to sleep over here.

Hon. Mr. Hicks: I was trying to point out, honourable senators, that we ought not to lose sight of the very considerable accomplishments in the employment increase in Canada, deplorable as it may be that they have not quite, and I emphasize not quite, kept up with the increases in the numbers of the work force. They have, nevertheless, increased at a rate not exceeded by any other developed country in the world.

Hon. Mr. Flynn: That is the answer.

Hon. Mr. Hicks: Inflation is a different matter entirely and, with the leave of my honourable friend, I do not propose to deal with inflation this evening.

Hon. Mr. O'Leary: You had better not; you will be in trouble if you do.

Hon. Mr. Hicks: I think anyone who has tried to deal with it in the whole of the Western World has been in trouble.

Hon. Mr. O'Leary: It is higher in Canada than anywhere else and you know it.

Hon. Mr. Hicks: It has been extremely difficult to do so. Is my honourable friend suggesting that we should have a controlled economy? This is the only kind of economy that I know of that deals with inflation successfully. If that must be done and we control prices and everything that contributes to the cycle of inflation, then we have to control people's lives and a great many other things. I think my honourable friend knows that better than I.

Hon. Mr. O'Leary: I know it and I agree with you.

Hon. Mr. Hicks: I have one other reference to the specific proposals that have been made to improve our social policy in this country, particularly the suggestion that there should be encouragement to investors to make money available to meet housing needs. I will be interested to see how the government proposes to implement this suggestion. Indeed, it is my view that one of the changes in the Income Tax Act to which I referred a while ago had exactly the opposite effect, in isolating different categories of a taxpayer's income and making it impossible to set off a loss, particularly a loss by depreciation suffered in respect to one source of income against other income. Of course, a great discouragement to the investment of money in housing was put into our laws. It will be interesting to see how the government proposes to remedy the situation. I agree that it needs to be remedied, and it will be in the interests of the nation as a whole if steps can be taken to bring about the desired result.

• (2120)

I am interested also in the suggestions concerning the physical fitness and health of Canadians. It seems to me that in this area Canada has lagged among the developed countries of the world. I am talking not only of the winning of Olympic medals and placing in international competitions. Even that is of importance to some nations and individuals. However, in my opinion it is important that a vigorous people, as Canadians are reputed to be, should remain vigorous, active and healthy. We have been late among developed nations—perhaps as a result of our division of responsibility between the federal and provincial governments—in providing government assistance for programs of physical fitness and health. An excellent start has now been made by the Canadian government under both political parties, and I am glad to see that further consideration will be given this matter.

Finally, I am interested in the suggestions contained in the Speech concerning Canada's environmental and ecological policy. It is popular these days to talk about the environment and about ecological matters, and it is important that Parliament should take advantage of the climate of public opinion in favour of improving the environment, even though it might involve some expense on the part of taxpayers and citizens of Canada. Advantage should be taken to "go while the going is good."

Reference was made specifically to the importance of marine science and technology. Here I propose to include the only plug contained in my remarks.

During the past year, there was completed at Dalhousie University, my own university in Nova Scotia, a truly magnificent research facility which we call our Life Sciences Centre. It houses the Department of Biology, strongly oriented toward marine biology problems, as is fitting for a university located by the sea, and it houses the Dalhousie Institute of Oceanography, which works hand in glove with the Bedford Institute of Oceanography, the federal agency on the Atlantic coast. There are joint appointments among scientists in both institutions, and teaching and research are being undertaken on a fully co-operative basis between the two institutions. The centre houses, in addition, our Department of Experimental Psychology, which also concerns itself with life problems, a great many of which are marine oriented.

The whole facility, costing $19 million, was provided from federal and provincial government funds, the federal support coming from the National Research Council and the Atlantic Development Board.

We are already getting under way with programs in the important area of marine science and technology, and I hope that we shall be able to play our part in any enhanced program at the federal government level. This area of research and inquiry is becoming of increasing importance to the support of life, including human life, and indeed to the survival of mankind.

My next point has to do with federal-provincial conférences. As our society becomes more complex and our federal-provincial problems become more difficult, the necessity for constant and continuing consultation between federal and provincial governments becomes greater. I am pleased to see that there is an impressive lineup of such meetings scheduled for the months and years ahead. Those meetings were listed in the Throne Speech.

It is important for the federal government to give strong leadership at these conferences. The rights of provinces are important, and are regarded as such by all provinces, perhaps more so by some than others. However, there are many problems in Canada which can not be solved by provincial action alone. Under our Constitution they can properly be dealt with only if there is a fair measure of give and take, of understanding, and agreement to share responsibility and to co-operate in implementing programs which are in the best interests of all Canadians.

At a later date I hope to speak extensively on the question of federal-provincial relations in support of post-secondary education. As honourable senators know, arrangements adopted in the fall of 1966 were extended for two years and will now expire in 1974, after which time new agreements will have to be reached between the federal and provincial governments. At a later date I shall make the point that Canada's universities should have a unifying influence on the country, and should be supported on that basis on a national level.

I am also pleased to see that conferences along these lines are scheduled to deal with such important matters as the report of the Economic Council of Canada, health care programs, housing, restrictions upon foreign ownership of land, income security and industrial policy.

My final reference is to that section in the Speech which referred to the Canadian Armed Forces. The following passage intrigued me:

> The Government intends to widen the area of service to Canada open to personnel in the Canadian Armed Forces. In addition to maintaining a high degree of military capability as the primary and most essential role of the Forces, new emphasis will be placed on the many areas in which the varied skills and training of this large number of dedicated Canadians can contribute to the achievement of national goals.

I regard that as a splendid idea, and I hope that when we discuss the measures to be implemented we shall not be too hidebound by traditional attitudes. It seems to me that in times of peace we have a great body of well-trained and well-supported Canadian citizens who, in addition to maintaining a state of preparedness to defend this country in time of war, could serve many other useful purposes, augmenting the civilian forces of our country and contributing to the improvement of our standard of living and the quality of life in Canada.

• (2130)

These then, honourable senators, are some of the points made and policy declarations enunciated in His Excellency's Speech which seem to me to be of particular significance—indeed of particular importance. Others have remarked that the Throne Speech opening this session is a less philosophical and more pragmatic document than this Parliament has been accustomed to during recent sessions.

In my remarks I have also tried to deal somewhat more pragmatically and less philosophically with a number of specific items in the Speech. However, the Speech surely does underline the most important philosophical and national goals of the government—to preserve national unity and achieve equality of opportunity for all Canadians.

During the recent election campaign, the Prime Minister used the phrase, "The land is strong." Since the election, he has said that he overestimated the strength of the land because the election campaign brought to light some evidences that the goal of national unity had not been achieved to the extent that the Prime Minister thought it had, and certainly there is ample evidence that much more needs to be done before we can achieve the goal of equality and opportunity for all Canadians.

Nevertheless, honourable senators, I submit that this land of ours is strong, despite the tensions that exist within our society, and despite the necessity of taking stock of our present situation and striving even harder to achieve our national goals. This land is strong—very strong in many respects. We are strong in natural resources, our economy is strong, and the strength and the potential of the Canadian people must never be underrated. I have recently read a report prepared for the White House Conference on the Industrial World Ahead, entitled *The United States Economy in 1990.* The forecasts are truly astonishing, and I think it is safe to say that most economists and businessmen feel that the growth potential of Canadian business and the Canadian economy during the next two decades may even exceed that of the United States. The article in the Bank of Commerce letter to which I referred earlier is confident and, for a bank, even optimistic about our immediate prospects in the year ahead. This is only one of many similar forecasts by economists and businessmen.

Let us then make the fullest use of our resources, both human and material, and continue to strive toward the twin goals of national unity and equality of opportunity for all Canadians.

The people of Canada are entitled to expect this from their national government and their national Parliament, and we ought not to allow any other considerations, here or in the other place, to deter us from giving a good account of ourselves to the nation and to its people whom we serve.

[*Translation*]

Hon. Paul C. Lafond: Honourable senators, faced with the honour of seconding the motion on the Address in reply to the Speech from the Throne, I feel quite incapable of attempting to make a learned and thorough analysis of it. It would also be that much more difficult after

the speech of that wise and experienced political leader whose academic excellence ennobles this chamber, Senator Hicks.

Madam Speaker, I can now only reiterate the most sincere and cordial congratulations I had the opportunity of expressing to you on your accession to the highest office in the Senate. All your colleagues, as myself, were not only happy but delighted that the speakership should have been offered to you and that you should have accepted it. From the time when I first came to the Senate, I noticed that more than anyone else you were a model of devotion and competence in the performance of your duties as senator. I hope that you will remain with us for a long time to come that all senators, present and future, might continue to benefit from that example, to find support in your wisdom and to depend on your cordial friendship.

To our new colleagues I extend our most sincere welcome. Like Senator Flynn I would have liked to see the ranks of his team increased to a greater extent, but quality makes up for quantity.

Several of us got to know Senator Asselin in the other place or during meetings of the Joint Committee on the Constitution. He is a tough and uncompromising fighter. However, when required, he knows how to compromise and he does so loyally.

Senator Laing is an old trooper whose experience will be valuable to us. He first sought election 35 years ago, and succeeded for the first time 24 years ago. His experience led him to the legislative assembly of his province and also to the other place where he made his mark in whatever department he was called upon to head. Moreover, like Senator van Roggen, he has personal knowledge of the great Canadian Northwest and its inhabitants and until our Constitution provides otherwise, I wish to see in them the spokesmen for that very important, although very remote segment of our population.

Senators Greene and Côté are practically political twins having been elected at the same time to the House of Commons, admitted at the same time to the Privy Council and called at the same time to the Senate. While I did not consult their health records, I should not be surprised if they had been admitted to hospital at the same time. Let us therefore assure them that they will receive here only tender loving care, since we do not want to be deprived of the benefit of their judgment, of their eloquence and of the profound humanity they displayed in the other place.

Senator Neiman, whose youth and fine presence are gratifying for us, has proved herself in law and politics, but it is mainly as a mother of a young family that I wish to welcome her in this chamber. Let her not feel intimidated if her entry here takes place with a flight of Privy Councillors.

And if these last words were to be translated or interpreted as "a flight of Privy Councillors," let me assure honourable senators that I use it in its strictly aeronautical sense.

The Speech from the Throne at the opening of a new Parliament is a bit like the opening sermon of an Easter retreat in the old days. When the preacher was a Capuchine, then the seven capital sins were reviewed; however, if he was a Dominican, he would speak of the seven gifts of the Holy Ghost and the attendant virtues. But, already, it has been suggested that this document was rather Jesuistic and that everyone found in it what he was looking for—

Hon. Mr. Flynn: The Jesuits spoke mainly of death.

Hon. Mr. Lafond: —everyone found in it what he was looking for: the Opposition in each of its parliamentary sects, the provinces, and perhaps, even a number of pontiffs, smaller and greater, of the written and spoken media. The surprise of the latter, however, cannot be but of a short duration because, since they have arrogated the role of the only constant and resolute opposition to any government, they do not feel that they can any longer exist or work out of an almost permanent negativism.

It has been suggested that, in this Speech from the Throne, the government has retreated from its position in the recent election campaign. There may be a little bit of truth in this. The Prime Minister himself bowed to the lesson the electorate taught him. However, the government was not pulling back from naught, but from well-established positions, for a comeback more in accordance with the wishes of the population and with the program having been developed and implemented in the light of the Liberal philosophy.

One should not believe that since the Liberal government has suffered a setback in popularity, the truth monopoly was diverted towards the other parties or the provincial governments.

Hon. Mr. Flynn: A party should not remain in the same place either.

Hon. Mr. Lafond: The Liberal government is still in office, its support among the population, as in the other place, being still greater than that of any other party. Indeed, it intends, to a greater extent, to provide for more consultation with the provinces and more co-ordination among the programs issuing from all levels of government, but this while thoroughly respecting the nature of our federal state, and those who will fight that goal should watch out for themselves.

As I said, the government stepped back in order to better rally. Whichever party was given responsibility for governing, I believe that over this period of 1972-73, the government itself at all levels had to get closer to the citizen. I think that in recent years developed the idea that the state could put people into operation, whereas it is people who put the state into operation.

• (2140)

[*English*]

As a third assistant coach in the latest exercise in democracy, following the result the thought grew upon me that it would not hurt any of us to go back to basics in political action. To that end I undertook to read again the memoirs of the Earl of Woolton. Early in his career, many years before he became the Bobby Orr of political organization, Frederick Marquis, as he was then known, was about to join a vast commercial enterprise, and on the morrow of World War I, in 1919, he set out for the United States to acquaint himself with the operation in that country of commercial and industrial management.

Reflecting some time later on what he had learned, he put down on paper what he himself described as a piece of doggerel:

> It is not in devising a system that the fearful dangers lurk:
>
> It is not in devising a system but in making the system work;
>
> For the working out of the system is not in the hands of the great,
>
> But rests on the shoulders of little clerks like Mary and Jane and Kate.

Forty years later, at the writing of his memoirs, he added this comment:

> There is a lesson that contemporary politicians can learn from that.

Is that not extremely valid still? It is not the ministers, nor the mandarins within two miles of this building, who will make any of the many systems they devise work. It is not they who will even make Canada work, but it is Bill and Marcel and Edith and Georgette who will make them work.

Let any government, Grit or Tory, this year or next, keep that in mind.

[*Translation*]

Senator Hicks, who comes from the east, and myself from the centre, see with much satisfaction the new overtures offered by the government to the citizens of the west. I find bewildering that any federal government would have neglected to afford the occidental region of our country all the attention and care it can rightly expect. But perhaps that attention was sufficiently sustained and explicit. For us from central Canada, or for the people of the east, it is sometimes very difficult to understand this feeling of isolation, or remoteness, experienced by the people west of us. I am much relieved therefore in seeing these new efforts to try to remedy this.

I find satisfaction also in the paragraphs of the Speech from the Throne which deal with the agricultural sector announcing the firm intention of the government to remedy without delay the two major ills which plague the agricultural industry since our sales of grain abroad have reached the peak of 1970-1971.

First, there is the problem of transport, storing and handling of grains, an area where some uneasiness developed in 1972; last weekend there was even the resurfacing threat of a strike in Vancouver harbour.

Secondly, the cost of distributing feed grain for cattle producers. Heaven knows how farm associations, provincial governments and federal members of Parliament of all political affiliations, of the province of Quebec and the Atlantic provinces have made representations on the subject in the past two years.

I am clearly under the impression that these questions could have been dealt with sooner and I hope there will be no further delay. I also anticipate the appropriate role that our Standing Committee on Agriculture will play in this regard.

The Speech from the Throne also said:

> Parliament will be asked to confirm the basic principles of the Government's program for bilingualism in the Public Service.

And in the next paragraph:

> The Government will continue to work in furtherance of the objectives of the Official Languages Act.

Then come details about those measures.

As is so well indicated by the use of two separate paragraphs in the text of the speech, bilingualism in the Public Service is not the whole thing but only a component of cultural bilingualism and the language policy in this country and a component which is not of universal application geographically or otherwise as it would seem some trouble-making newspapermen and headline writers of the English-speaking press have successfully led people to believe.

This program conceived and unveiled fifty years too late was unfortunately, one must admit, announced, put forward and implemented up to now with disheartening clumsiness.

Since the outset and up to last December 14 the main concern was, sometimes in the midst of panic to allay the fears, warranted or not, rather than to make an honest effort to dispel them.

[*English*]

May I digress here a moment to join our colleagues who have already paid tribute to the memory of the Right Honourable Lester B. Pearson, a great Canadian, a great Prime Minister, and a great "doer" during his short tenure as Prime Minister. I was fortunate in having ready access to him, particularly in the last twelve months preceding his retirement, and I had the utmost respect for him. History may well single him out mostly for having initiated and pushed relentlessly, and with the deepest sincerity, policies recognizing the bilingual and multicultural nature of our country. But Mr. Pearson, like many of us, was perhaps prone to turn a phrase which did not always circumscribe precisely his full intention. Such to my mind was the expression: "No one will suffer . . ."

[*Translation*]

"Suffering" is a completely subjective expression. What was bound to happen did happen as every one interpreted it his own way whether they were involved or not.

I have always believed and I still do that any policy of this kind had disadvantages and problems which might well be called "suffering" if we are not prepared to show the required good faith and good will. This is a subject which I am familiar with since I have been a bilingual federal public servant myself, immediately before and after World War II.

It is expensive to become bilingual and to remain so at any age. It is costly in terms of money, time, effort and frustration. My compatriots know something about this because they have been paying for it for more than a century.

Essentially, what is aimed at by the bilingual policy in the Public Service, besides providing services in both languages and creating opportunities for unilingual francophone public servants, is that the anglophone element

involved in the Public Service, especially in the national capital region, share, to a certain extent, this cost in money, energy, time and frustrations of which I just spoke.

If we are to believe the local newspapers and the spokesmen for many groups of public servants over the past years, there is willingness to share the cost of bilingualism in terms of money—at any rate, it is paid by the government—but not the cost in energy, inconvenience and frustration.

If we were to stop there, this would clearly be inadequate, not to say disastrous.

However, I cannot believe that the majority of our English-speaking citizens of this area have exhausted these features typical of their race: broad-mindedness and generosity. I trust that it will soon be realized that the uneasiness which afflicts us now will only be relieved by a common contribution of co-operation and good will.

This applies also to French-speaking public servants, leaders and journalists. The Commissioner of Official Languages stated in his report for 1970-71 and I quote:

> If dialogue and trust are needed to help French-speaking public servants develop their potential, these qualities are required no less to help their English-speaking colleagues adapt to linguistic reform. Perhaps it is inevitable that in Ottawa, particularly, the climate surrounding bilingualism should be far from serene: after all, in this administrative capital, bilingualism is no distant matter of theory, it concerns jobs and careers right now. But by working in at least informal harmony, Members of Parliament (from Ottawa and elsewhere), staff associations, the Public Service Commission, the Secretary of State's Department, the Treasury Board and the Commissioner of Official Languages ought to be able to relieve a good deal of the anxiety raised, very often needlessly, by decisions and even rumours on this subject.

I agree, but up to December 14 last, nothing of the kind had occurred.

A few words about the part played by politicians in that matter in recent years. I am now referring not to all but to several candidates and members who generally speak more often and louder in all parties on both sides of the river and who for purely electoral purposes have done their best to fan fears rather than allay or dispel them. As the light at the other end of the tunnel which must not be allowed to go out, the bilingual question was constantly to give rise to bitter controversies. Elected or defeated those people will only have helped to write one of the most abject and contemptible pages of the political history of this area.

I twice mentioned December 14 last. I am of course referring to the policy statement on bilingualism in the Public Service issued on that day by the President of the Treasury Board. Nothing would have prevented such a statement being made four or five years ago; it seems to me utter nonsense that we had to wait so long before it was definitely determined which responsibilities rested with the Secretary of State, the Public Service or the Treasury Board.

[Hon. Mr. Lafond.]

Finally, crying over past events, as I am afraid I have been doing these last few minutes, will not get us anywhere.

There is no question of my going through the details of the new policy statement; we shall probably have the opportunity to do so at some other time.

But the document published four weeks ago by Mr. Drury permits us, for the first time in a while, to be somewhat optimistic. It gives us all the opportunity of a new start that must not be missed; and those who on either side called that statement a "victory" or a "retreat" contribute but very little to the solution of the conflict.

The editor of the *Ottawa Journal* showed in the December 27 edition of that newspaper much more wisdom than the reporters of the same newspaper when he wrote:

> Some of the knee-jerk criticism of the new policies failed sadly to see both sides of the coin . . . For those in English-speaking Canada who consider the guidelines as mere window-dressing, there are some in Quebec who consider them a retreat from the commitment to greater bilingualism. Language fairness continues to require understanding and compromise from both linguistic communities. Guidelines written in heaven won't succeed without a will to make them work.

And I say: "Come on, Ottawa, let us make them work."

[*Translation*]

We are told, in the Speech from the Throne, that we will be asked to study a bill on election expenses. You will recall that a similar bill was left pending when the last Parliament was dissolved. It can be expected that the new bill will not differ much from the old.

There is need for such a measure. It may even be said that the need is pressing. Still, even with the best intentions in the world and total concentration, a first draft could not be expected to result in permanent legislation on the subject. To my mind, we will have to start by removing the main obstacles; then, after all political parties have tested the act through experience, its objectives can be refined and carried out further.

Again with regard to the electoral process, let us point out that it was quite satisfactory in spite of the handicap of major holidays, one of which fell during the enumeration period and the other during the revision period. There was considerable improvement in the fact that the results of the military and other votes were announced on general election day.

In spite of all this, however, I should like to see Parliament resume its study of the recommendations of the Representation Commissioner in his report on the methods of drawing up voters' lists as submitted in April 1968. The adoption of a system providing for continuous electoral rolls, a system which he recommends, would do much to shorten election campaigns and reduce expenses. It seems to me this goes hand in hand with legislation intended to reduce election expenses.

We also note that the revision of electoral boundaries which is carried out every ten years is now under way and proceeding very satisfactorily, thanks to the experience acquired in 1966. Inevitably, this exercise can never satisfy everyone, but that is the price we have to pay for

proportional representation and I am sure that no greater derogations from that rule than we are now practicing will ever be envisaged.

[*English*]

Honourable senators, as a last item, I note the government intends to recommend the broadcasting by radio and television of the proceedings of the House of Commons and of its committees. I, of course, do not intend to comment on the wishes and the procedures of the other place, although I should expect the Senate will have a say to the extent that this will apply to joint committees.

I cannot withhold the reflection that this may open an additional field to the culture and practice of what has been described by Clay Whitehead, the director of the White House office of telecommunications policy, as "ideological plug-o-la."

This is a virus which need not be imported into Canada. We have for some time nurtured a strain of our own which needs no hybridization.

It has been well documented in a detailed study of the election coverage by our television networks on the late evening news during the last three weeks of the campaign, by Dean Joseph Scanlon of the Carleton University School of Journalism. Dean Scanlon stated on the CBC program "Commentary":

> Since the election, both Robert Stanfield and Pierre Trudeau have been claiming the right to govern this country. Frankly, they're both wrong. On the basis of CBC and CTV late evening news—for the last three weeks before the election—there is little doubt that the NDP and David Lewis won the election. Lewis . . . got more on camera time than his opponents, better play and, in my opinion, more favourable treatment.

• (2200)

And this did not end by any means with the election itself. I leave it to honourable senators to guess who in living colour and via satellite from London immediately followed Her Majesty the Queen on "The National" on Christmas night.

The CBC must have great faith in the durability of this Parliament and in order to adhere to its guidelines probably plans to give this spot to Mr. Caouette in 1973, and have Messrs. Stanfield and Trudeau share 1974 and 1975.

Today on the national AM radio news at 1 p.m. the leading item I thought was the announcement of the latest unemployment figures. Who was the one national political leader to come on live immediately after the commentary? Again, guess who? It seems to me that if I were in King David's shoes I would be terribly afraid that this was already being overdone, and I would be afraid of what would happen.

The broadcasting of parliamentary debates may be worth the attempt, but it seems to me we should be extremely careful that in so doing we are not fashioning tools that will be used to filter and manipulate in biased fashion the channels of communications between the population itself and its political leaders.

[*Translation*]

The Speech from the Throne is therefore proving to be an excellent working document. With a few exceptions, the proposals set forth therein have equal priority and I am sure the population will not put up with any parliamentary games prior to the carrying out of the work at hand in its entirety.

It is therefore with great pleasure that I second the motion of Senator Hicks for an Address in reply to the Speech from the Throne.

[*English*]

On motion of Honourable Senator Flynn, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, January 10, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

First Annual Report of the Law Reform Commission for the year ended May 31, 1972, pursuant to section 18 of the Law Reform Commission Act, chapter 23 (1st Supplement), R.S.C., 1970.

Amending Order No. 2, amending the Federal Court Rules, made by the Judges of the Federal Court of Canada on October 16, 1972, together with copy of Order in Council P.C. 1972-3044, date December 19, 1972, approving same, pursuant to section 46(5) of the Federal Court Act, chapter 10 (2nd Supplement), R.S.C., 1970.

Report of the Canadian Saltfish Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 32 of the Saltfish Act, chapter 37 (1st Supplement), and section 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Copies of contract between the Government of Canada and the City of Red Deer, 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).

Reports on operations under the Regional Development Incentives Act for the months of June to November 1972, inclusive, pursuant to section 16 of the said act, chapter R-3, R.S.C., 1970.

NEWFOUNDLAND "WRACKERS"

MAGAZINE ARTICLE—QUESTION OF PRIVILEGE

Hon. Frederick William Rowe: Honourable senators, I rise on a question of privilege. The January issue of *Maclean's* magazine carries an article entitled "The Wrackers of Newfoundland," written by one Bartley Higgins. In this connection I am today addressing a letter to the editor of Maclean's magazine, and I should like to have the contents of that letter form part of today's proceedings in the Senate.

The Editor,

Maclean's.

In your January issue, Bartley Higgins in an article entitled "The Wrackers of Newfoundland," states:

"In years gone by, wrackers were out-and-out criminals who lured unsuspecting vessels onto the rocks, where they could be plundered at leisure. The early inhabitants of Cape Bauld and Cape Norman—

These, honourable senators, are the two capes at the extremities of the Strait of Belle Isle on the Newfoundland side.

—were noted for their tendency to set inviting false beacons on stormy nights, or when visibility at sea was poor."

This statement is untrue. There has never been the slightest evidence that people living in the Strait of Belle Isle ever tried to lure ships ashore by "false beacons," or by any other device. In fact, in Newfoundland's long maritime history—

A history which goes back to the year 1497.

—that charge has only been seriously levelled on one occasion and then it was in reference to a portion of Southern Newfoundland, not Northern. Moreover, there is reason to believe that this allegation was politically motivated. In any case it was never proven.

Higgins concludes his article with this gem: "... experienced ship captains, when they see the rugged, rockbound coast of north Newfoundland and Labrador on the horizon, still treat it with respect. For they know that there are friendly but patient men over there—waiting."

I find it incredible that Maclean's would print such utter rubbish. Stripping abandoned wrecks has been practised in all ages everywhere since man first put to sea. When a ship is wrecked on the coast of Newfoundland it is usually a matter of hours, or, at best days, before the ship and its contents are at the bottom of the Atlantic Ocean. Failure to salvage the contents would be outright stupidity.

HMS *Raleigh*, probably the most modern warship then afloat—

In 1922.

—went ashore in a pea-soup fog only a few yards from a light-house in the Strait of Belle Isle. She was given up by the Admiralty, as Higgins concedes and at that point the local residents had perfect right to salvage whatever they could.

The picture that Higgins gives of Newfoundland fishermen waiting like ghouls or harpies for some unfortunate vessel to become stranded, is a complete lie. The history of Newfoundland is replete with instances where residents risked their lives, as I can personally testify, to prevent ships from going ashore. And when ships have become wrecked, Newfoundland men and women have risked, and, in some cases, given their lives to save crew and passengers.

When the American destroyers *Castor* and *Pollux* ran ashore on the South Coast of Newfoundland in a blinding blizzard in the winter of 1942, it was the incredible bravery and ingenuity of the people of Lawn and St. Lawrence that saved 176 men.

All the others were drowned.

Today, in St. Lawrence, there stands a fine modern hospital, put there by the Congress of the United

States on the recommendation of President Franklin Roosevelt, to express the gratitude of the American people.

This article is a piece of cheap journalism, but it is consistent with much that has been written about Newfoundland in recent years, usually, but not always, by visiting itinerant journalists and writers who, having enjoyed the hospitality of the Newfoundland people, seize hold of some grotesque or bizarre aspect of our life or culture,—

And every country and every community has that.

—distort it out of proportion, and, where necessary, invent, to produce something to sell.

I regret that *Maclean's* has unwittingly encouraged this form of journalistic prostitution by publishing the article in question.

Honourable senators, we do not as a rule pay any attention to articles, stories and other items that appear from time to time. We try to shrug them off. However, this article, carried in a national magazine, is so libelous in character that I felt I had no choice, as a citizen of Newfoundland and as a Canadian, to rise in my place to repudiate 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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. Jacques Flynn: Honourable senators, I take you back to the last day of the last session of the Twenty-eighth Parliament, to September 1, 1972, to be precise. It was quite obvious when we met then that the government had finally decided to dissolve Parliament and go to the people.

I expressed the hope at that time that when we reconvened there would be drastic changes in this and the other place.

• (1410)

It was obvious on September 1 that when we returned the Senate would have refurbished paintings on the walls. I was hoping, however, for something more meaningful. I was hoping for several new faces, especially Conservative faces. I was especially hoping for a change of sides. That has not quite come to pass yet. It is a project we Conservatives have for the late winter or early spring.

Well, the changes in the Senate have not been as dramatic as I had hoped. It is in the other place that we have a situation without precedent in our political history. I will come back to that matter later. First of all, I should like to deal with the situation in this chamber.

There is no doubt about it, Senator Martin is still the Leader of the Government in this chamber, and in that respect I feel I must express to him my most heartfelt sympathy. It will not be any easier to defend this metamorphosed Trudeau government than it was to defend the previous one. Senator Martin, admittedly, has vast experience in adapting to changed circumstances. He has learned to adapt to contradictory policies over the years as well as to leaders with completely different personalities.

There is not doubt about it, as I said before, Senator Martin is flexible—flexible and thick-skinned. One has to be to have served with equal devotion under Mackenzie King, St. Laurent, Pearson, and Pierre Trudeau. Senator Martin owes his survival only to his unquestioning party loyalty.

But Senator Martin can take heart. The horrible task of defending this government, as I read the Throne Speech, has been lightened somewhat. He will not have to tell us about the "Just Society," nor will he have to tell us how "This Land is Strong." That sort of bilge water has been washed away.

The 1968 Liberal program is to be forgotten. As a matter of fact, the Liberals would even like to sweep under the rug the program they proposed in the most recent campaign. The idea now is to sell the Throne Speech. Granted, the sale of intangibles is not easy, but Senator Martin can take consolation in the fact that he will not have to struggle for long. He will soon be relieved of his duties as government leader in this chamber.

Honourable senators, I pause here to congratulate Senator Muriel McQueen Fergusson on having been appointed Speaker. She is the first woman to preside over this body, and, in fact, the first lady Speaker in the federal Parliament.

She is a fine choice. Her appointment has met with unanimous approval. From the time she was summoned to the Senate in 1953, Senator Fergusson has demonstrated wisdom, ability, industriousness and a high sense of duty. She has steadfastly championed the causes of the less fortunate in our society and has gained everyone's profound respect for so doing.

Her appointment pleases me in a personal way. I have known Senator Fergusson since 1942, at which time we were both enforcement counsel for the Wartime Prices and Trade Board, she in Saint John, New Brunswick, and I in Quebec City.

I can assure you, Madam Speaker, that from the Official Opposition you will receive nothing but the fullest co-operation. We wish you well. We already know that you can discharge your duties with excellence. I would say here that the best thing you have done in French is to recite the prayers.

Honourable senators, we also have five new members. Four of them are former cabinet ministers. The fifth is not a privy councillor, but I am sure she is just as capable, certainly more charming, and definitely a lot prettier. I am sure that, given the results of the last election, Senators Greene, Côté and Laing probably appreciate being here more than they ever suspected they would.

[*Translation*]

May I be permitted to give special mention to the accession to this chamber of Senator Martial Asselin. He is the first since 1963 to join the ranks of the Official Opposition. We are grateful to the Prime Minister for having strengthened our group by appointing a man who is still young and energetic and enriched by valuable experience

acquired during close to ten years in the House of Commons.

I myself welcome a personal friend and I know I am expressing the sentiments of the Official Opposition when I tell him we are delighted to have him among us. I shall add that I have no doubt the Senate as a whole is very pleased to welcome him to this chamber.

Nevertheless, adding one senator to the Official Opposition group does not correct the unacceptable imbalance between the group of government supporters and the Official Opposition group, which includes two Independents and one Social Credit senator.

Since 1963, the number of senators belonging to the Conservative Party has decreased from 34 to 17. Only 20 senators are not members of the Liberal caucus. The government can depend on the support of three quarters of the Senate. Our system, as conceived, devolves a definite and heavy task on the Opposition, which it cannot accomplish without being in sufficient number.

May I recall that the former government leader in the Senate, the Honourable John J. Connolly, stated on several occasions that the number of senators in the Opposition should never be less than one third.

In any case, the Senate can trust that the Official Opposition, with the means at its disposal, will nevertheless do its utmost to discharge fully its duties.

[*English*]

Honourable senators, I would now like to congratulate both the mover (Senator Hicks) and the seconder (Senator Lafond) of the motion for an Address in reply to the Speech from the Throne.

Of course, Senator Hicks has brought to this house a lot of experience in public affairs and excellent qualifications as an orator. His contribution to the debate was interesting in many respects, but especially in the strong condemnation he made of the Income Tax Act in urging that it be amended in depth. That part of his speech would have fitted in very well when the so-called tax reform bill was before this house at the end of December, 1971.

• (1420)

Honourable senators will remember that the tax bill was forced down our throats by a majority of government supporters in this house, despite the warnings of many on both sides that numerous provisions of the bill were seriously deficient and would create extensive confusion—the kind of confusion Senator Hicks denounced yesterday. It would be interesting to speculate as to whether Senator Hicks would have made the same speech had he been here then or whether he would have ignored his leader's directive at that time to abstain in order to help towards quicker passage of that legislation by the famous deadline of December 31, 1971.

[*Translation*]

As for the speech of my friend, Senator Lafond, I can only praise it. As usual, he expressed his thoughts with poise, subtlety and effectiveness. It is always a pleasure to listen to him.

[*English*]

The results of the October 30 election have produced a situation in the other place which is without precedent in the political history of this country. For all practical purposes, the two major parties are on equal footing. On a purely mathematical basis, the Liberal administration could justify its remaining in office in order to find out whether Parliament was prepared to support it. Nevertheless, the election was unquestionably a major defeat for the Trudeau government. If there was any victor, it was Robert Stanfield and the party I have the honour of leading in this chamber.

True, the support that each of the major parties received across Canada has produced a rather confused picture, which lends itself to various interpretations.

Apart from Quebec, where the Liberal Party retained its historical strength, and apart from New Brunswick where there was a split, each party winning five seats, the remaining eight provinces returned more Conservative members than Liberals to the House of Commons.

The result in Quebec, in my opinion, requires close scrutiny. It cannot simply be taken at face value. The government obtained only 49 per cent of the total vote. This percentage slides down to around 43 per cent, if you exclude the Island of Montreal where most of the English voters reside. The division of the anti-Liberal votes between the Conservatives and the Creditistes has had much to do with the practical success of the Trudeau government in Quebec.

Many objective Quebecers, insightful observers of the political scene, would agree with me that it is regrettable that historical circumstances have permitted the support of the P.C. Party to decrease to the point where it has not been able to elect more than a few members since the election of Sir Wilfrid Laurier in 1896. With the exception of 1911, when 27 members of the coalition of Nationalists and Conservatives were elected against 37 Liberals; of 1930, when the Conservatives won 24 seats to the Liberals 40; and of 1958 when the Progressive Conservatives won 50 seats and the Liberals 25, my party has not done well in Quebec.

I suggest to you that it is a bad situation for Canada and for Quebec when one of the only two parties capable of forming a government cannot obtain a minimum of support in Quebec, in French Canada. Some say that the Tories are anti-French. To me, that is entirely false. It is just as false as the intended corollary to the effect that the Liberals are the party of the French Canadians.

I entirely reject the recent lamentations of certain Grit militants. The election of October 30 was definitely not a backlash against Quebec. Not a single responsible and knowledgeable editorialist in the province of Quebec has accepted that thesis.

The plain fact is that outside Quebec the issues which dominated the campaign were the problems relating to our economy: inflation, unemployment, taxation, and other matters of the same kind. It was those very same issues which, in Quebec, incited 51 per cent of the electors to vote for parties other than the Liberal Party.

How can we speak of a backlash in Ontario where the Liberals took a beating? Yes, they took a beating, of course, but if there had been a backlash they would not have elected 35 members as compared to 40 members for the Conservatives.

I say to those who insist that the English-speaking provinces voted against Quebec in the last election that they are mindlessly repeating what was said by a few in 1957. On that occasion, and how well I remember it, these same people could not accept the verdict. They were convinced, as they still are, that only the Liberal Party is able to assure national unity in this country.

If we were to believe these narrow-minded Grits—and I hasten to say that they are not too numerous, although they are vociferous—we would have to believe that the survival of Canada depends on a permanent support of their party, not only in Quebec, but everywhere else in Canada.

Well, I don't believe in, and I don't think anybody else here believes in, a one-party system. That would smack of dictatorship.

It intrigued me to read in yesterday's newspapers that the Prime Minister had accused the Tories of trying to divide Canada during the election campaign. When pressed for evidence, the only statement the Prime Minister could come up with in support of his accusation was Mr. Stanfield's description of Jean Marchand as Santa Claus to Quebecers.

Well, the fact is that this statement of Mr. Stanfield's was made in Quebec City itself at the end of the campaign, a few days after Mr. Marchand had announced grants of several million dollars to renovate the Place Royale, the Old Arsenal and other historical places in Quebec. I say this statement by Mr. Stanfield was justified. It was not directed against Quebec nor was it disparaging of Quebecers themselves. The Prime Minister, who a few days before had said that if the electorate wanted candy he would give it to them, is hardly in any position to make a fuss about Mr. Stanfield's statement. A man who has demonstrated such supreme cynicism towards Canadians in general should be more guarded about accusing anyone—especially the Leader of the Conservative Party who has shown himself to be responsible under very difficult circumstances—of fanning the flames of racism.

What is really dangerous for the unity of this country is the very attitude that all those who support the Conservative Party are against Quebec or against French Canadians. That is a barefaced and dangerous lie.

• (1430)

I, for one, have supported the Conservative Party for 20 years, and I am satisfied that I am as good a Canadian as any Liberal. Some Liberals have always been too vain to accept defeat valiantly and manfully. Despite the fact that since 1896 their party has been in office for close to 60 years and the Conservatives only 17, they want to hang on to power as if it was theirs by divine right.

Of course, there are bigots in all parties, but if any party as a whole has been guilty of using racial arguments for electoral purposes, it has been the Liberal Party in Quebec. I make this accusation with no hesitation whatever.

When I was a tender youth, Liberal speakers fulminated through Quebec describing the conscription of 1917 as the Tory conscription, when in fact it was imposed by the Union government. I have heard Liberal speakers refer to my party as the English party, and the accusations made against its leaders during the campaigns of 1953, 1957 and 1958 were the lowest and vilest of their kind, unfit to repeat.

I won't pursue this matter any further. I only wanted to express my disagreement with the thesis of the backlash against Quebec on October 30. I wanted to give voice to my firm belief that the interests of Canada, and that includes the province of Quebec, would be better served if there was adequate representation of Quebec or French Canada in the two major parties, the only parties able to muster a sufficient number of members in the House of Commons to form a government.

I am not greedy. I am not asking for much. I would just like to see us with a safe nucleus of about 15 seats in Quebec. The Liberal Party, at the worst of times in Ontario could always count on returning at least that number.

Let me sum up the meaning of the last election for you. The people of Canada rejected as unacceptable an unfeeling, unimaginative and inefficient administration, mismanagement of the economy, inability to curb inflation, arrogance in imposing fiscal reform which has created only confusion, high unemployment, spiralling taxes, obvious lack of respect for and confidence in private enterprise and private decisions, the downgrading of Parliament, and the pursuit of goals very often contradictory.

These are the reasons why the electorate so soundly thrashed the Liberals in the last election. It was the government's miserable record that lost it so many seats.

The increased support for the Progressive Conservative Party is attributable to a well-designed program presented by a leader who inspires security and stability. This practical, if not mathematical, victory of Mr. Stanfield's is a victory for self-reliance, self-sufficiency and self-respect. It is a victory for the attitude that more government is not the answer to our problems. It is a victory for the principle that change should not be sought merely for change's sake. And it is a victory for Parliament. Parliament will now have restored to it the authority which is rightfully its own.

In any event, whatever interpretation one can place on the election results, it is quite obvious that the public was not satisfied with the government.

The P.M. accepted the blame. He pleaded "guilty as charged" and promised to change his ways, to do better. That was, and nobody will deny it, the essence of his speech when he informed Canadians that he had decided to remain in office.

It is interesting to remember the questions that arose in people's minds at that time. Would Mr. Trudeau remain the independent, somewhat arrogant individual he had always been, and resign, or would he compromise for the sake of keeping power, if not for himself, at least for his party?

I remember when Mr. Trudeau and his good friends, Messrs. Marchand and Pelletier, used to take great pleasure in castigating and ridiculing the Liberal Party. I remember when Mr. Trudeau even belittled Mr. Pearson. How strange it was to see this very same crew in 1965 join the ranks of that very same party they had so mercilessly

condemned. Of course, politics, as you know, makes for very strange bedfellows.

I suggested at that time that the Liberal Party was, at least in Quebec, purely an electoral machine, and that it was obvious that these people, without any relevant conviction, were trying to use it to serve their own specific and personal purposes and I asked: Would Messrs. Trudeau, Marchand and Pelletier make more use of the Liberals than the Liberal Party would make of them? Well, it seems the party has kept the upper hand, or at least that is the way the Grits I know feel about it. We'll see.

The Cabinet was shuffled after the election in an attempt to overcome serious shortcomings in the administration. The Cabinet liabilities have been moved out of their disaster areas. The new ministers, or the old ministers heading new departments, did not lose time in making it quite clear that they were not bound by their predecessors' attitudes and programs. They wanted an opportunity to correct the mistakes made prior to the election, mistakes which had been presented as achievements but which the election results revealed for what they were.

Of course, it was imperative for the government, if it wanted to remain in office, to make concessions, especially to the NDP, which holds the balance of power. It is in that perspective that the Speech from the Throne was prepared. This represented a monumental task. That is probably why they did not convene Parliament in December and had to wait until the beginning of this month.

Honourable senators, the Speech from the Throne is quite a document. The one given in the last session of the previous Parliament, in February 1972, was an innovation in style. It tried to formulate an analysis of the philosophy of the government as it applied to the economic and social contexts of the day, a formula which I then described as "rather pretentious."

Honourable senators will remember that the *leitmotiv* or slogan of that Throne Speech was isolation—isolation created by social injustice, isolation created by geographical background. It was suggested that what the government had to do to straighten the situation out was to introduce legislation that would do away with this grave fault in our society.

• (1440)

In retrospect, I would suggest that the government was the one that suffered most from that isolation, isolation from the people, impossibility to understand the real problems. All it did, with great self-satisfaction, was to expound a rather nebulous philosophy. They must have realized after the election how far apart they had grown from the electorate. The style of the Speech from the Throne which we heard last Thursday was completely new. It tried to recite more concrete goals. Looking at it as a whole, I would say that the Speech from the Throne is an attempt at promising everything to everyone. Despite the praise it received from Messrs. Lewis and Caouette, and the great pleasure of the Prime Minister, his ministers and the Liberal members in the other place, both Messrs. Lewis and Caouette are obviously afraid of another election and neither of them has the fortitude to reiterate in a concrete way at this time the charges they made against the government during the last campaign. It is impossible, I suggest, despite this praise from Messrs. Lewis and Caouette, to determine exactly how the goals set down in this Throne Speech will be attained.

We are told that the government wants to control and correct inflation, that it wishes unemployment to decrease, that it wishes to improve social benefits for those who need them, that it wants the economy to expand. It wants a whole lot of other laudable things to happen. But when the Prime Minister or any member of his Cabinet is asked a specific question, he is unable to give a specific answer. As a clear-cut example, we have been unable to find out whether the 3 per cent income tax increase which was reinstated at the beginning of the year will be abolished. What additional benefits will be offered our senior citizens? To me, it is quite obvious that the government is bluffing. It has no new solutions; it is devoid of any worthwhile ideas. It is waiting and hoping that circumstances will come to its rescue.

Of course, when you are the successor of Mackenzie King, maybe there is a temptation to believe, as he did, that you are indispensable to the welfare of the Canadian people, that you have a divine right to rule, that Providence will smile indulgently as you scrape the bottom of the barrel and use all the tricks imaginable, whether moral or not, in order to cling to power. Any kind of about face is justified, if it will keep you in power. Yesterday you may have been convinced that winter works was not a good idea; today you will announce that you have set aside $500 million to go into winter works. Tomorrow you will explain that the sum really works out to less than $100 million during the present winter. In a few weeks you will announce that there will be practically nothing done until next year, and next year, if God and David Lewis—yes, there is a difference between God and David Lewis—spare you until then, you may change your mind.

You could possibly describe the government's attitude with regard to unemployment insurance in the same way. First, they extend it, turn it into a welfare program, preach the benefits of the leisure society, tell young people to do their own thing, encourage them to milk the very system they are never done criticizing. When the taxpayer gets fed up and almost turns them out of office, they put on a big act, tell him they are going to get tough with loafers and how they are going to crack down on the cheats. Then they tell him how their basic philosophy has not changed and try and tell him they are not playing both ends against the middle. Who can believe such a spate of unscrupulous declarations?

When you look back over the last two months, you realize that the government has been mortally wounded by the results of the election. Since it cannot accept its fate, since it cannot acknowledge for all practical purposes that it has been rebuffed by the electorate and soundly defeated, it is trying to save face and maintain itself in power by all means possible, whether ethical or unethical. Its problem is not to provide an efficient administration and progressive legislation, but to avoid at all costs a vote of non-confidence. Unable to give leadership, it begs the support of a party whose philosophy is completely opposed to its own. It is a pitiful sight and it is a situation which is harmful to the country.

Mr. Stanfield and the Conservative Party were the only ones to make any significant gains in the last election. The Conservatives are on their way up. We are, therefore, in a much better position to offer a progressive, determined and courageous administration. Our platform was not rejected out of hand; it was endorsed. It is what the Grits plagiarized to write the Throne Speech we are discussing. They are following our lead. Why not give the country its true leaders?

A Progressive Conservative government, realizing that only by vigorous economic growth can this country afford and support sound social advancement, would not wage a war of attrition against the private sector. It would set as a primary goal of its economic policies, increased productivity and efficiency by increasing private initiative and the pursuit of legitimate profits. There is nothing unholy about profits. There is nothing inhuman about the free market. We should be striving to restore profitability as the basic criterion against which to judge what should or should not be produced. Sure, education, health, the ecology, social assistance, et cetera are important. Certainly, private enterprise must bear these factors in mind when making decisions. Most assuredly the private sector must have a social conscience. But, that is the whole point, profits are what make the achievement of social and economic goals possible.

A Progressive Conservative government would not be afraid to reduce taxation, especially personal income tax, nor to reduce or cut out completely the federal sales tax on building materials. In fact, a recent study by a couple of economics professors from the University of Toronto has indicated clearly that it is indeed possible to increase employment without aggravating the inflation problem, and that a reduction in federal sales tax would provide a great stimulus to the economy. If we create new jobs by this means, these jobs will not be a drain on the treasury. On the contrary, this approach will lessen the burden of the already oppressed taxpayer.

• (1450)

[*Translation*]

Honourable senators, as I said a while ago, I am firmly convinced that this government has yet to get over the fact that the electorate snubbed them last October 30. They were left dumbfounded, physically and morally shaken.

They seek less to provide good administration and have Parliament pass progressive and realistic legislation than to avoid being brought down by a vote of non-confidence. Their morale is such that one can hardly imagine how they will ever get over it.

The fact remains, however, that this is a government sprung from the Liberal party, and for them only one thing matters: to hold the power or to win it back if ever they lose it.

And to that end, as I have said before, they think that anything goes. History provides instances similar to the situation in which Mr. Trudeau finds himself.

Was it not Clovis who, in order to keep his crown, yielded to the Bishop of Saint-Rémy who had ordered him burn all that he had worshipped and to worship all that he had burnt?

Or must we recall Henri de Navarre who, to get hold of the French crown and become King Henri IV, abjured Protestantism saying Paris was well worth a mass?

[*English*]

But why go back so far in history? Mr. Trudeau has only to imitate some of his predecessors. For instance, it was Mackenzie King who, in 1925, his party having won only 99 seats against 116 for the Conservatives, refused to resign and finally succeeded in bargaining with the Progressives to stay in office.

Hon. Mr. Denis: Do not forget to talk also about Mr. Bennett and Mr. Diefenbaker.

Hon. Mr. Flynn: I am coming to that. The point that is probably of interest to me and to Senator Denis is the fact that to the Liberals principles are not very important when compared with the conservation of power, or the recovery of it. Not so long ago the Liberal Party, the present Leader of the Government in the Senate being its principal spokesman, supported a Social Credit amendment favouring a policy of debt-free money in the hope of unsettling the then Conservative minority government. Is that the point that Senator Denis wanted me to make?

Hon. Mr. Denis: You should elaborate more about Mr. Bennett's and Mr. Diefenbaker's times.

Hon. Mr. Flynn: Indicate in which area you wish me to elaborate, and I will be only too happy to oblige.

More recently, when the Pearson government was defeated in a vote on a fiscal bill, it did not resign. The Liberals succeeded—God only knows how, and, hopefully, history will provide the answer—in winning back the support of the Social Credit members on a specific motion of non-confidence. In other words, they succeeded in making the Social Credit members say that they had not intended to defeat the government, but merely its legislation. I wonder just what sort of promises it took to cause them to make that about-face. But it was not the first one, of course.

The Prime Minister recently denied that he had no particular interest in power. He said that he was prepared to leave, but only in circumstances of his own choosing. He wasn't going to be thrown out. At the same time, he alluded to the fact that he was preparing plans to win the political battle facing him by studying the tactics of Napoleon at Austerlitz. That's a very humble attitude on his part, but I doubt that it is very realistic. I would suggest to the Prime Minister that June 1968 was Austerlitz, that October 30 last was the retreat from Moscow, and that Waterloo looms on the horizon.

For those honourable senators who are interested in astronomy or astrology, I should point out that the calendar for 1973 mentions two eclipses of the sun. One was a partial annular eclipse which took place, curiously enough, on January 4, the day of the opening of this Parliament. Taking for granted the temporary support of the NDP, you might be interested to know that a total eclipse of the sun will take place on June 30 next.

By that time, if all is right with the world, this government will have been eclipsed and the people of Canada will be enjoying a Conservative government. At the present time we could certainly do better.

Hon. Paul Martin: Madam Speaker, in taking part in this debate, I join with the Leader of the Opposition and other honourable senators in extending to you my warmest congratulations on your designation as Speaker of the Senate of Canada. You were selected, I am sure, not because you would be the first woman to occupy that high office, but because you have shown a great capacity for public service since 1953. You have been a devoted and valued member of this house, and we know that in discharging your duties as Speaker you will live up to the highest traditions of the Senate. We take pride in the fact that as first woman Speaker of the Senate you will preside over our deliberations with distinction.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I am sure that all honourable senators shared my pride at the manner in which you performed your duties as Speaker of the Senate during the opening of Parliament on Thursday last.

Madam Speaker, you have had a distinguished career. As Senator Hicks reminded us in the course of his speech last night, you are a graduate of Mount Allison University; prior to entering the Senate you practised as a lawyer; you have had experience in municipal life; and you have been a federal public servant as Director of the Family Allowances Division in New Brunswick. I am happy to say that at that time I happened to be Minister of National Health and Welfare, although your success was not in any way related to that fact. We welcome you as Speaker. We are sure that you will bring honour to the Senate.

I should like to offer Senator Hicks my congratulations on his speech last night. Senator Hicks was at one time Premier of Nova Scotia. The Senate is enriched by the presence in our midst of such a man. I believe that the Senate should endeavour to represent as far as possible the opinions of those in various occupations. Senator Hicks, in his first speech to this house, did his province honour. It was convincing proof of the wisdom of having in our midst, as we have in the person of Senator Manning, someone who was at one time head of a provincial government, as Senator Hicks was also.

[*Translation*]

The Leader of the Opposition and I wish to assure Senator Lafond that we were proud to listen to his speech last night. As always, he spoke wisely and modestly and made a worthwhile and useful contribution.

• (1500)

[*English*]

I join with the Leader of the Opposition in welcoming to this chamber five new senators, sworn in the order of their precedence.

[*Translation*]

Senator Martial Asselin, a lawyer, a man of distinction in the province of Quebec, who has been for some years a member of the House of Commons, a member of the Privy Council, a member of Mr. Diefenbaker's cabinet, is a very talented man. I am sure that the appointment by Mr. Trudeau's government of this member of the Conservative Party will be justified by the contribution he will make to this chamber.

[*English*]

I was certainly happy to be able to introduce, along with Senator Nichol, an old colleague in Parliament and in government, and an experienced man in the public life of our country, Senator Arthur Laing.

Senator Laing has had a distinguished business career, which was not unrelated to agriculture. He was first elected to the House of Commons in 1949 and, after a period as a member of that house, returned to become leader of his party in the province of British Columbia. After serving as leader of his party in that province and as a redoubtable foe of Mr. Bennett, who was then the leader of the Social Credit Party and Premier of British Columbia, Senator Laing returned to the House of Commons and served as a member of the Pearson ministry, and, indeed, as a valuable member of the Trudeau government.

He served as Minister of Northern Affairs and Natural Resources, Minister of Indian Affairs and Northern Development, Minister of Public Works and, most recently, Minister of Veterans Affairs. A man of this experience will be of great value to this chamber.

The presence in our midst of a former member of the Pearson and Trudeau governments, Senator John James Greene, brings to us a man with a worthy war record. Senator Greene was first elected to the House of Commons in 1963, and served as Minister of Agriculture and Minister of Energy, Mines and Resources. One with this experience brings to our deliberations in the discharge of our responsibilities in this chamber an experience of the greatest value.

[*Translation*]

The fact that my colleague of another day, the Honourable Jean-Pierre Côté, agreed to come here gives the Senate the choice and the opportunity to benefit from the experience he acquired since his election to the House of Commons in 1963 and as Postmaster General and Minister of National Revenue, a man who, although still young, has experience which will prove very useful to us in our search for solutions to the problems with which we will deal.

[*English*]

The nomination to the Senate of Senator Joan Neiman brings to us a young woman—and I emphasize that—with a distinguished war record. She is a lawyer who has had experience in the service of a number of voluntary organizations, such as The Elizabeth Fry Society of which she was both a director and legal counsel. She served on the Local Council of Women of Toronto as chairman of the law committee. I could mention her other affiliations. I am sure we will profit greatly from her participation in our work.

Honourable senators, I regret to say that Senator A. Hamilton McDonald, who acted as whip during the past four years, has been seriously ill during the past three months. While he was able to return to this building the other day for a short time, I do not expect that he will be able to discharge his functions for some months to come. Both Senator McDonald and Senator Langlois have assisted me greatly in the past. In Senator McDonald's

absence, Senator Langlois and I will have the services and assistance of Senator Molgat, whose selection for this duty will be welcome indeed.

Honourable senators, we are beginning a new session. It seems to me that we should each ask ourselves, in the uncertain situation—if one wishes to characterize the present situation in Parliament in that way—what we can do to strengthen this institution; what we can do to fulfil our respective responsibliities for which we have been called by the Governor-in-Council. I suggest to honourable senators that they examine the opportunity for service open to members of this chamber. I do not feel that there is any other forum to be found in any country of the world, and certainly of the Western World, where there is, for those who serve in a legislative body outside of government itself, the opportunity that is open to each of us in this chamber.

I have said on another occasion and I repeat now—and I am sure both Senator Laing and Senator McIlraith, because of their long service in the other place, will be able to corroborate this—that during my first ten years in the House of Commons, between 1935 and 1945, and particularly the first five years, the government of the day did not take up more than two days in the parliamentary week, with the result that three days were given to private members to introduce resolutions; to provoke public discussion on important questions; or to introduce private non-money bills. That was something that was possessed by the members of the other place up to 25 years ago but which now is denied to them because of the heavy legislative load which the government finds necessary to present to Parliament, thereby absorbing almost the full time of the House of Commons.

• (1510)

We have much time at our disposal. We have all of the power of members in the other place who are not of the executive. If we feel there is an opportunity to initiate public discussion on any issue, that opportunity is open to each and every senator, wherever he sits. The opportunity of introducing bills is open to each and every senator. I feel that if we took advantage of what is open to each and every one of us we could enhance the reputation of this chamber, which already, in my judgment, is much greater than is appreciated by some of the critics who attack so loosely the Senate.

When we consider the kind of appointments that should be made to the Senate, as mentioned by the Leader of the Opposition, we might note appointments that have been made in the last weeks have brought into our ranks individuals of parliamentary experience, and experience in government. This is in the interests of the nation. It is something that will enhance the institution of Parliament. Not only that, but the present government, concerned about making this an increasingly valuable legislative body, brought into our membership two years ago important personalities who were not members of the party in power. There was Senator Manning, a Premier of the Province of Alberta for 25 years. While he now supports the Liberal Party, we all recognize the role of Senator Forsey in the political life of Canada in other days. No one examining these and other new senators would fail to appreciate that the Senate is not deserving of some of the captious criticism, irresponsible criticism, unfair criticism, that has been levelled at it by the news media, and even by certain parliamentarians.

I want to add this. Having spent almost my entire life in public service, I do not intend to continue to be a member of a body that I hear characterized in this way unless I think that those charges are untrue. I think those characterizations are baseless. It is for that reason that I am prepared, along with other senators, to do my part in public life through this institution. The moment I cease to be of any value to it—and I should think that would be the view of most—I shall not want to be here.

Today Senator Flynn spoke, understandably, very strongly about the consequences of the last federal election. One of the advantages of being a senator, of course, is that one does not have to think in personal terms about elections. I do not have the same interest in the result that Senator Flynn obviously has in the past one, or perhaps in the next one. I can only say that if the fortunes of the wheel had been a little more generous his way, or his party's way, he would find himself here and I would find myself, or somebody else would find himself opposite. Given the political process, perhaps there might not have been a great deal of difference in the tone he would have maintained from this side, or that I would have assumed from the other side. The fact is that I am here as Leader of the Government, and Senator Flynn is in his place as Leader of the Opposition.

I will say I was a little surprised with the results of the election. I have never been good at prognostication of any kind, particularly political, but I certainly misjudged the last election. However, the fact now is that what we have to do is find the best way for Parliament to accommodate itself to the electoral situation that was presented.

My honourable friend the Leader of the Opposition says the government was rejected, that the Trudeau administration, elected with such a large vote in the election of 1968, was this time repudiated by the Canadian electorate. There is no doubt that the present government was not embraced in the wholehearted way it was in 1968.

Hon. Mr. Flynn: More like strangled.

Hon. Mr. Martin: There is no sense in talking about different statistical results, but if there was any rejection I suspect that it was rejection in part, not only of much of what the present government offered but perhaps even more significantly of the party to which the Leader of the Opposition belongs. Not only was that a rejection, but it was a second rejection. That party had been rejected in 1968 and it was again rejected in the election of 1972.

Hon. Mr. Flynn: It was less rejected, anyway.

Hon. Mr. Martin: My honourable friend says that, but the fact is that it was rejected. As a result we have on our hands what I regard as a serious parliamentary situation. I have seen people in my own party who since the election have talked of the advantages of minority government. I have served in a number of minority governments. I served in a minority government between 1963 and 1965, and between 1965 and 1968. I saw minority government between 1957 and 1958, and between 1962 and 1963. I know something of the history of minority governments in Canada between 1923 and 1925 and 1926. I am sure that

anyone who has carefully examined the nature of responsible government systems must conclude that the minority government situation is not the best way to assure the fullest functioning of government. I think that anyone who knows British history will come to that conclusion because of the attestation given by prime ministers who had to preside over minority governments.

The situation that faces us at the moment, which it seems to me is particularly one that the Senate must take into account, is that the people have spoken in an election in a way that would seem not to offer any hope for a change in the immediate future. I personally would find it inconceivable that so soon after an election we should go back to the people. What the situation would be in four, five or six months is another matter. Our responsibility now is to make the parliamentary system work. Therefore, that makes it difficult for anyone to say legitimately to the government of the day that it is seeking to cling on to office. Why? Will anyone deny that after the election, when the government was returned, even if it did not have the largest group, that it would have been proper constitutional practice for it to go to Parliament, and ask Parliament to determine whether or not it had the necessary confidence to carry on as a government?

• (1520)

Hon. Mr. Flynn: That was not the view of Mr. St. Laurent in 1957.

Hon. Mr. Martin: I will deal with that. There were suggestions made within 24 hours after the election, when it was not clear that the present Liberal government had the largest number of seats. Indeed, Mr. Stanfield went before television and suggested that he was ready to take over because of that fact. It was only after a few days passed that it became clear that the government had a larger number of elected members than any other political party, and the air was cleared without too much further discussion. It seemed to me that it was the clear duty of the present Prime Minister, in the face of this situation, when he had the largest group or even almost the largest group, to go to Parliament and seek a vote of confidence.

That was clear for many reasons. One of them is that in one of the largest provinces, the province from which the Leader of the Opposition here comes, not enough Conservative members were elected to enable the Leader of the Progressive Conservative Party to select sufficient numbers to constitute representation in the Cabinet from that province. If the leader of the Progressive Conservative Party had been called upon to form a government, or had been given the opportunity of facing Parliament, among those who would have been in that Cabinet—and rightly so, because of his ability—would have been certainly the Leader of the Opposition in the Senate.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I say that quite sincerely. I fully accept that if that had happened he would have been a member of the government, but he would have been only one of two from Quebec. And so that was a consideration.

In 1957 the situation with regard to Mr. St. Laurent was altogether different. Mr. St. Laurent felt personally that he had been repudiated. I believe that he took an extreme view of his position. He felt that his party had been rejected. I think he took an extreme view of the situation in that regard as well. But he was an older man and he made it clear—because of his age primarily, but there were also other reasons—that he did not propose to carry on, or even to face Parliament.

We had the precedent of 1924 in Britain, and the precedent in Britain also in 1884 in Mr. Gladstone's time, and earlier with Disraeli.

In 1925 we had a situation that was even more exemplary of the constitutional and correct course for the present government. In 1925 Mackenzie King had 15 fewer members elected than Mr. Meighen. Not only that, Mr. King himself had not been elected and he could not take his place in Parliament to argue his case. It was argued in his absence by Mr. Lapointe.

Hon. Mr. Asselin: He was defeated in the house.

Hon. Mr. Martin: He asked for a dissolution, which was denied him; but because he had taken that position and his government had been duly constituted, when the election of 1926 took place, although a year before he had been 15 down, he was returned triumphantly. The Liberal Party was successful over the party of Mr. Meighen, and once again he became Prime Minister, and was Prime Minister until 1930. So there is no doubt about the right of the government in this situation, the constitutional right, and the propriety on any other count, to carry on as this government has done.

Hon. Mr. Flynn: On a point of order. I would not wish the remark of the Leader of the Government to be understood as refuting an argument that I have made. I made it quite clear, I thought, that on the mathematical basis the government was justified in remaining in office and in seeking the support of Parliament. What I have been criticizing is the way it is trying to get that support.

Hon. Mr. Martin: Yes, I fully agree. The Leader of the Opposition has carefully stated his position. It is conceivable—I do not think it is likely, but it is conceivable—that in the foreseeable future, two or three years from now, he might find it very convenient to be able to say that he took the same position on this matter as I did.

Hon. Mr. Flynn: I cannot see so far.

Hon. Mr. Martin: I think he might be able to help himself in that situation. With regard to what he has just said—that he objects to the way the present government is seeking to carry forward in order to stay in office—I agree that that is one of the questions that he put, and it is a very proper one. What we have to do is to make the present situation in Parliament work, unless we readily admit and agree that there is a possibility of holding a general election—which there is not.

If that is the case, the government's program having been repudiated in some respects, as well as the Opposition's program, what else is there for Parliament to do but to examine the modified programs that the government is bringing forward?

Hon. Mr. Asselin: Our program.

Hon. Mr. Martin: My honourable friend says it is their program. I suppose some of it is their program. The Conservative Party does come forward with ideas.

Hon. Mr. Côté: Once in a while.

Hon. Mr. Martin: If they do have ideas and if Parliament can get a consensus with regard to these proposals, that is exactly what it should do, and that is what the government has implied in the general indications it has given in the Speech from the Throne. It does not mean that the government is saying what it put forward before the election is what must be put forward again. That is not what the government is doing. The government says that it is putting forward what it believes in, together with certain proposals that have been made by other political parties. What is wrong with that? Is that clinging to office? No, it is the only way to reach a consensus in a minority government situation.

That is why I said earlier that our system of responsible government cannot thrive indefinitely in the circumstances of minority government; but to the extent that it must deal with such a situation, it can do no other than seek a consensus in the way that the government has done in the Speech from the Throne. That does not mean that the government must give in on everything. That certainly does not mean that anyone should be under any misapprehension. This government is not going to cling to office for the sake of clinging to office, swallowing everything and anything so long as it is still permitted to occupy the Treasury benches. But we are not going to give up simply because we are defeated on some motion, any more than Mr. Diefenbaker did when he was confronted with a defeat, or any more than Mr. Pearson did in 1968.

• (1530)

Hon. Mr. Flynn: Correction. Mr. Diefenbaker resigned the first time he was defeated in the house. He did not cling to office. He did not ask the house to repeat itself.

Hon. Mr. Martin: Well, on a matter that really did involve policy, what did Sir John A. Macdonald do as early as 1867 and 1873? He kept in office despite a number of defeats. What did Mr. Baldwin do? What did Mr. Gladstone do? What did Mr. Ramsay MacDonald do in 1924? He indicated when the parliamentary session began what the government would regard as a vote of confidence. He said that on each instance in respect of any matter put before Parliament he would indicate whether the government would regard it as a vote of confidence.

Of course Parliament itself, if it does not like that attitude, as Mr. Lewis said yesterday, has in its own hands a method to counteract the attitude that the government takes in this regard. But we must be prepared to seek a consensus, for that is the only way parliamentary government can be carried on in Canada at the present time. We in the Senate should be prepared to recognize that fact, even if it is not observed carefully elsewhere. It is a fact. It is the only way government can be carried on at the present time.

Hon. Mr. Flynn: I recognize the fact that the government cannot be defeated by the Senate, and that the Senate will have to do the same as it does in normal circumstances. I was speaking of the situation in the other place, not of the situation here.

Hon. Mr. Martin: Well, I am not referring to the situation here, but I am using this forum to explain what, obviously, is not understood by some in the other place and in some parts of the country. There is a charge that the government is clinging to office, and that it is bringing forward modified plans only for the purpose of survival. That is not the case. It should be understood that that is why I have addressed myself to this aspect of the problem.

I say to the Leader of the Opposition, and I am sure he will appreciate this, that there are some things on which the government is not prepared to seek a consensus prior to establishing its position. There are some things that it cannot allow to be eroded. The Prime Minister has made that clear and the Speech from the Throne makes it clear. In other words, with regard to the Official Languages Act, and with regard to those matters that we have recognized for the last eight years as essential to promote bilingualism and biculturalism, we are not going to give in on matters of principle. I am sure that the government does not stand alone in that. I am sure that that is the position of Mr. Stanfield.

Hon. Mr. Flynn: The government has never been challenged on that.

Hon. Mr. Martin: I am just saying that I am sure that that is the position of the Leader of the Conservative Party in the other place. I am sure that it is the position of the Leader of the Opposition here. But it must be made clear that the decisions we have taken on biculturalism and bilingualism, and the recommendations of the report on bilingualism and biculturalism that we have accepted, are essential goals which, humanely, we must pursue in the Public Service and elsewhere, if we are going to make a contribution to the development of unity in our country.

I accept the position of the Leader of the Conservative Party in this house, and in the other place, and I accept the positions of the two other political party leaders as well. They have made their positions clear, and so has the government.

But what the Prime Minister was complaining about, as I read his words the other day, was not so much the position of individuals in or out of Parliament as an editorial that had appeared in the Vancouver *Sun*, which opened up the whole question in a way which the Prime Minister did not think was in the national interest. It was an article in the Vancouver *Sun* of November 3 of last year.

That is one of the positions, then, that we are not prepared to go back on. There are others. These have been outlined by the Prime Minister, and I think that, basically, they will be accepted by most members of Parliament as essential, as the very minimum that can be done, if we are going to preserve unity in this country.

Honourable senators, there are other matters that the Leader of the Opposition has touched on, and there are other matters that could be touched on. He said nothing about recent foreign policy initiatives. I am sure the time will come when we shall discuss them. The government has sought, by administrative measures since the election, to provide for the development of certain policies designed to provide for an expansion of the economy, and to deal with the high cost of living. The government has admitted that apparently its policies in these respects have not been fully accepted, but it has indicated that it is

prepared to accept modifications of those policies. It has pointed out that it has already infused considerable additional sums of money in the hope of stimulating the economy and, when the budget comes forward, we will determine whether or not the government's budgetary policies are designed to reduce unemployment and meet other pressing economic problems.

There is the question of our economic relations with the European Economic Community and with the United States. These are all matters that the government has been engaged in. Its position in these various areas will be reflected in the presentation of policies that it will present ultimately.

And so I say, now that we have been presented with this electoral situation, now that Parliament has been seized of its responsibilities as a result of the mandate given to it, it is the duty of both Houses of Parliament to meet these responsibilities. I am sure that all of us, regardless of our political affiliations, both here and in the other place and in the country at large, will meet those responsibilities as Canadians have done before. We need not be ashamed of our parliamentary system; we need not join with others who criticize and seek to compare it with other systems; we need not belittle ourselves or our own country, because whatever may be our economic problems, or whatever may be our concern with our neighbour or with the enlarged European Economic Community, the fact remains that there is no other country in the world that has our opportunity, and because no other country has our opportunity we have no excuse for not doing our utmost.

Hon. Josie D. Quart: Honourable senators, this is a very special occasion for women in the Senate, and I wish to offer my most sincere congratulations to Madam Speaker upon her appointment to preside over the deliberations of this chamber. In order to avoid repetition, to some extent, I shall simply echo the complimentary remarks of the previous speakers, and add a few of my own.

Senator Fergusson's valuable participation for many years in the debates and committees of the Senate is an assurance that she has all the necessary qualifications, dignity, charm and savoir-faire to carry on the duties of Speaker of this honourable house.

It was on Human Rights' Day, December 10, that I first heard that Senator Fergusson was to be appointed the Honourable the Speaker of the Senate. My first thoughts were, "How fitting that on this day, Human Rights' Day, Senator Fergusson should be so honoured." We all know that Senator Fergusson has always been a loyal supporter of civil and political rights for all peoples, but in particular for the advancement of the status of women. Therefore, it is but just for the government to have recognized her devotion to the cause of women's rights.

I have always found it a great pleasure to join with my colleagues in words of welcome to new senators. However, it would be like gilding the lily to eulogize further the four senators who have served with distinction in the other place, Senator Asselin, Senator Côté, Senator Greene and Senator Laing, who are well known to most of us; in fact to most Canadians. Their parliamentary "know-how" will be of great value in the proceedings of this chamber. Needless to add, Senator Asselin will be as welcome as the flowers in May to swell the number of our little band of Conservatives.

But it is with pardonable pride that I address a special word of welcome to Senator Joan Neiman, and assure her that from my own experience a woman who is fortunate enough to be appointed to the Senate need have no fear of any prejudice or discrimination against her because of her sex from her male colleagues in the Senate, and it is indeed heartwarming to see women senators welcome another woman senator to increase their numbers.

And as this seems to be the women's hour in the Senate, I shall speak about the women who helped to get us out of this controversy. It might be apropos to refresh our memories as to how and when women were first admitted to the Senate. In fact, every women senator owes a debt of gratitude to five public-spirited Canadian women from Alberta: Mrs. H. M. Edwards, Mrs. Nellie McClung, Mrs. Louise McKinney, Judge Emily Murphy, and the Honourable Irene Parlby.

These five women, after five years of sacrifice and struggle, their pleas rejected by the Canadian Parliament, presented their case to the Supreme Court of Canada—and lost. But undaunted, they carried their case to be heard before the Judicial Committee of the Privy Council in London, England, presenting their argument that Canadian women be considered as persons in the eyes of the law, and as such be eligible for appointment to the Senate of Canada. The vital question was debated, pro and con, as to whether women were persons under the British North America Act of 1867. The case was heard in July 1929. Their Lordships in England found, after convincing arguments and anxious consideration, that the word "persons" includes both men and women. Therefore, from that time on women as persons were eligible to be appointed to the Senate.

It was a great victory for those women, for the decision of the Privy Council in London reversed the decision of the Supreme Court of Canada. This struggle started in 1916, and those women battled all obstacles for long years before achieving their goal. I am sure that those five courageous women from Alberta, through whose efforts the doors of the Senate opened to women, must be chuckling with glee from their heavenly abode to see a woman so honoured as our Honourable Speaker, Senator Fergusson.

It is interesting to note what started these five women on the warpath. This was not a case of "cherchez la femme" but "cherchez l'homme," for on July 1, 1916, Judge Emily Murphy's first day on the bench of the Magistrate's Court in Edmonton, Alberta, the defence counsel, Mr. Eardley Jackson, enraged at the stiff sentence meted out to his client by Judge Murphy, shouted in the courtroom:

> Mrs. Murphy, you are not even a person in the eyes of the law and have no right to be holding court. For according to a ruling in 1876, under British Common Law, which states that "Women are persons in pains and penalties but are not persons in matters of rights and privileges," therefore the Office of Magistrate is a privilege and, Judge Murphy, you are on the Bench illegally and your decision cannot be binding.

Now, although her decision was upheld by the Supreme Court of Alberta, thanks to Mr. Jackson, the question arose: "What about the Dominion of Canada Court?" This incident was the match that lit the fire for the campaign to change the British North America Act so that women would be considered as persons in the eyes of the law.

Since 1867, only 14 women have been appointed to the Senate of Canada, and 22 women elected to the House of Commons. There was only one in the last Parliament—Mrs. Grace MacInnis, of the NDP—but there are now five women elected to the other place. Perhaps I should mention that Quebec gave three women Liberals to the house. It will be remembered that the first woman appointed to the Cabinet was the Honourable Ellen Fairclough, then followed the Honourable Judy LaMarsh, and now there is another woman in the Cabinet, Madame Jeanne Sauvé.

But does it not seem strange that in Eastern countries, where women are more respectful and dominated by their men, those same Eastern women who are known for their distinctly soft and feminine charm, now that they have their rights, are storming their parliaments and are being elected in incredibly large numbers?

• (1550)

Many men ask, "Why do women take part in public life with its exposure to envy, intrigue and numerous frustrations?" Well, why not? Do they want women to dodge their responsibilities? For if women are obliged to pay taxes and to obey laws, it is only just that they be given a share in the making of them. And the state, like the home, needs a woman's viewpoint in order to create a well-balanced society. Gone are the days of less than 100 years ago in Canada when the courageous members of Parliament who proposed or voted for women's rights were ridiculed, and when roars of laughter always greeted the presentation of the suffrage bill.

Another question frequently asked is: "What is a woman's role in the Senate?" Well, my answer to that is, "A woman's role in the Senate should be the same as that played by the honourable senators of the so-called stronger sex." However, I admit that women's limited participation to date in public life restricts to a degree their capacity or willingness to enter all debates. But they should be on the alert on all subjects, and ready to express their opinion, especially in committees, on legislation which is of special interest to women and the welfare of the family, and be willing to help women's organizations by supplying information, and by presenting their bills.

And, honourable senators, lobbying for support for bills is one thing women can do to perfection. Believe me, after seeing some of the tactics used by women lobbyists, I am firmly convinced that more women should take up public relations as a career. The men parliamentarians certainly fall for that feminine approach. I have seen it work.

Were I asked to compare the intelligence of the men senators with that of women in the Senate, I would have to resort to a reply Dr. Samuel Johnson made when asked to compare the intelligence of men versus women. He answered, "Which man—which woman?"

Unfortunately, a professional or a business woman is still looked upon as "Exhibit A" by many men. In my opinion, one rule for the success of a woman when dealing with men is that her mind should be like an iceberg—more than half should be kept submerged below the surface, especially after business hours.

I conclude with this little story. As you know, every session groups of students of all ages visit the Senate and the House of Commons to observe at first hand the legislative processes of government. As is customary after such visits, the students are supposed to record their impression in an article for their school paper. Here is an excerpt from a young girl's essay, exactly as she wrote it in all its unconscious humour:

> The Government of Canada sits in the Commons in Ottawa. The ordinary common people are called Members of Parliament and sit in a large green room with the Prime Minister, called the House of Commons. Older people called "Senniters" sit in a lovely red room called "The Sennit." If the "Senniters" do not like what the common members do, they vote "Veto," and the common members have to think of something else so as the "Senniters" won't say "Veto." Very often, all these common bills cause an uproar in the "Sennit" and as most of the "Senniters" are old, they don't like all this noise for they are there for life. There is also a Cabinet in the House of Commons which is filled with Cabinet Ministers who work in ministeries. We must not confuse them with the good holy ministers who work in Churches and believe in God. These common ministers have servants which are called "Dipeety" Ministers and have to make friends with all colours of politickers—blue, green, red and black. Because of this service they are in a union called "Civil Service Association" instead of "politicians." "Current Affairs" like our school paper, also include External Affairs. This department deals with members' wives, ambassadors, parties, wars and relations in foreign countries. As an example, if you have an aunt or uncle, say in Cuba, the Canadian Consul will get her out of the country quickly. This is called diplomacy and is very clever.
>
> Well, I guess that's all that can be said about Parliament except it raises taxes and makes you obey laws. But if you don't vote for the common members they will lose their jobs, not like the Senniters, or they will be demoted. So please vote for the good-looking ones.

Encore, félicitations Madame le Président.

On motion of Senator Molgat, for Senator Rowe, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, January 11, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Postmaster General for the fiscal year ended March 31, 1972, pursuant to section 80(2) of the Post Office Act, chapter P-14, R.S.C., 1970.

Hon. Mr. Martin: Honourable senators, I am glad to note that Senator Côté is looking at me with great interest.

Hon. Mr. Flynn: I am quite sure he is pleased that this is his last report.

Hon. Mr. Martin: Senator Croll has indicated it was a good thing the report was not mailed.

Hon. Mr. Croll: I mailed a report on Tuesday afternoon of last week from the Toronto Dominion Bank Building in Toronto. It was addressed to the Toronto Star Building, which is six blocks away, and it did not arrive there until Friday.

Hon. Mr. Martin: A member of the House of Commons would have taken the report there himself.

Hon. Mr. Langlois: Of course, that was in Toronto.

Hon. Mr. Flynn: The situation is even worse in Quebec.

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, 16 January 1973, at eight 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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. Frederick William Rowe: Honourable senators, it is my pleasant duty first of all to congratulate our distinguished lady colleague on her appointment as Speaker of this house. This step is a matter of gratification on two counts; first, it recognizes Senator Fergusson's outstanding abilities and, secondly, it represents another step forward in removing the historic discrimination against women in Canada. I am pleased to say that Senator Fergusson, along with other senatorial colleagues, attended the same university as I did. It gives us great pleasure that she should be appointed to this important post. In expressing our pleasure over this appointment, I wish to say—I did not have the opportunity of saying this during the final session of the last Parliament—that none of us will forget the outstanding contribution made to the Senate, and to the continuing democratic process, by our esteemed colleague, Senator Deschatelets, during his term of office.

• (1410)

Hon. Senators: Hear, hear.

Hon. Mr. Rowe: The honourable senator now sits in front of me.

Hon. Mr. Flynn: You were not speaking over his head.

Hon. Mr. Rowe: Senator Hicks is not present in the house, but I should like to congratulate him on his excellent speech in opening the debate on Tuesday last. I should like also to extend my congratulations to Senator Lafond. Both honourable senators have had long and happy relationships with my own province of Newfoundland.

Senator Hicks, whom I first knew when he was Premier of Nova Scotia, subsequently became President of Dalhousie University, a university with which my province has had a long and happy connection, since the majority of doctors and lawyers now practising in Newfoundland are graduates of that university.

Senator Lafond, I am happy to say, has also had a distinguished connection with Newfoundland. During World War II he served in many areas, and participated in the Battle of the Atlantic while a member of the Canadian Armed Forces.

May I also welcome the new senators who were sworn in during the past few days. I am sure that all of us feel that the prestige of this historic body has been enhanced by their appointment.

Long before the death of Lester B. Pearson, I had reached the conclusion—a conclusion no doubt shared by many Canadians—that he was probably the greatest living Canadian. It is no derogation of the many other great and distinguished sons and daughters of Canada to say that in all probability Mr. Pearson was not only the greatest Canadian of our time, but was also one of the great world citizens of our time.

Although Newfoundland is only a small and, in some respects, insignificant part of that nation which Mr. Pearson served so well, we have very special reasons for regarding him with gratitude. Mr. Pearson was one of the first Canadians to recognize that Canada could never become a happy and progressive nation so long as there existed minority groups which, because of accident of geography, economics, history, race or other factors, suffered physical or psychological hardships and frustrations.

It is to the enduring credit of the present Prime Minister—I say this without any political bias—that he recognized the necessity for carrying on this work started by Mr. Pearson, although he must have known that such a

course of action could result in grave political disadvantage. I will have more to say about that later this afternoon.

Along with other Canadians I was saddened by the passing of another great Canadian, Mr. George Drew. Although I did not have the opportunity to know him intimately, as was the case with Mr. Pearson, I did have the opportunity of enjoying his hospitality while he was High Commissioner in London. Indeed, he went out of his way at that time to show his friendliness and his desire to be of assistance, and I could not help reflecting then that here was a man who had been almost completely misrepresented to the Canadian people outside his native province of Ontario. The fact is, as the Leader of the Government has already implied, it was a quirk of fate that prevented this man from making to Canada as a whole a contribution similar to that which he made in his native province.

I referred a moment ago to the efforts of former Prime Minister Pearson, efforts later intensified by his successor, Prime Minister Pierre Elliott Trudeau, to preserve and strengthen Canadian unity by removing some of the historic disabilities, especially those racial and geographical in origin, which had occasioned so much discontent in parts of our great nation. It was, I think, inevitable that those efforts, especially the ones relating to that part of Canada which we commonly refer to as French Canada, would result in what our American friends commonly call a backlash. There is no doubt in my mind, although a great many Canadians are a little hesitant to say so, that such a backlash did manifest itself in Canada in recent months. Nor should we be surprised at such a manifestation any more than we should be surprised by the obvious backlash that has occurred in the United States as a result of that nation's efforts to remove discrimination as to race and colour.

We most certainly must be on our guard against the potential results of such a backlash, if carried to the extreme. Let us have no doubts whatsoever about these facts: there has been a feeling of frustration and injustice among a large segment of the Canadian nation resulting from the fact that moral considerations inherent in the agreements that created the Canadian nation, inherent in the Canadian Constitution, have been flagrantly disregarded, and this continues to be a source of discontent in some parts of Canada.

Hon. Mr. Flynn: I am not sure I understand what you mean. Are you saying that the present government misinterpreted the Constitution?

Hon. Mr. Rowe: No, I did not say that.

Hon. Mr. Flynn: I should like you to make yourself very clear on that point.

Hon. Mr. Rowe: I will repeat my comments. There is no doubt that there has been a feeling of frustration and injustice among a large segment of the Canadian nation—and I am not merely thinking of that part of Canada referred to as French Canada—resulting from the fact that moral considerations and implications inherent in the agreement that created the Canadian nation—in other words, in the British North America Act—have been flagrantly disregarded down through the years. While they are not being disregarded so much today, and have not been in recent years, they still continue to be a source of discontent in some parts of Canada.

Hon. Mr. Flynn: You mean discontent in Quebec.

Hon. Mr. Argue: Order!

Hon. Mr. Rowe: I will elaborate on that—

Hon. Mr. Flynn: Who asked for order?

Hon. Mr. Argue: I did.

Hon. Mr. Flynn: Why?

Hon. Mr. Argue: I asked for order because I feel that when a senator has the floor he should not be repeatedly interrupted, as I feel it interferes with his speech.

• (1420)

Hon. Mr. Flynn: I would point out that my honourable friend Senator Argue sat in the other place for a long time, but he has not learned the ways of the Senate yet. In the Senate, if an honourable senator does not like being interrupted, he is the one who should complain, not Senator Argue. It is not Senator Argue's role to come to everyone's rescue. I should think that Senator Rowe is well able to look after himself without the help of Senator Argue.

Hon. Mr. Argue: I am not disputing that. I just think he is being interrupted too often.

The Hon. the Speaker: Senator Rowe has the floor.

Hon. Mr. Flynn: That is right, and he is the one who ought to object.

The Hon. the Speaker: If he wishes to answer questions he is at liberty to do so, but if he wishes to continue with his speech, then he may do so.

Hon. Mr. Flynn: That is right, and without the intervention of Senator Argue.

Hon. Mr. Rowe: I have no objection to answering questions at any time. If I may be permitted to continue, the point I am trying to establish may become clearer. If necessary I can elaborate on it. If it is not clear, I shall be very happy to answer any question the distinguished Senator Flynn, or any other honourable senator, may wish to direct to me.

It was part of the greatness of Mr. Pearson that he saw the possibility that a continuation of this state of affairs I have referred to could result in the disintegration of the Canadian nation, just as he also recognized that unless Canada as a whole adopted measures designed to remove some of the economic inequalities resulting largely from geography and other natural disadvantages, Canada as envisaged by the Fathers of Confederation could not continue to exist in an age when increasing expectations were creating a discontent and a sense of frustration which could only result eventually in rebellion of one kind or another, and consequent disintegration of the nation.

The process of trying to reconcile the diverse needs and aspirations of all segments of Canada must continue, backlash or no backlash, and no matter what administration is in power. The alternative would be national suicide. Does anyone think, for example, that over two million Canadians in Atlantic Canada will be willing to tolerate indefinitely a situation where the cost of living,

due to factors completely outside of local control, continues to be higher than it is in Central Canada while wages continue to be lower? To put it more broadly, will those millions of "second-class" citizens, economically speaking, in Eastern Canada and in other parts of the nation be willing to remain passive and fatalistic if there is something they think can and should be done to remove the inequalities?

The Speech from the Throne has been described as a desperate attempt by the present administration to hold on to power. There may be some element of truth in this allegation, and if such is the case this is not necessarily disgraceful or reprehensible; but to assume or imply that it was nothing more than a desperate attempt to hold on to power would be grossly unfair, and indeed dishonest.

The Speech from the Throne, as I understand it, is not an admission that past policies were wrong, that there has been too much welfare, that the silent majority, having expressed their resentment against bilingualism or welfare abuse, must now be placated; it is not an admission that DREE and other programs designed to remove inequality of opportunity were either wrong or were grossly mismanaged. What it does represent is a recognition by the administration, and I believe by others, based on, among other things, the results of the last general election, that the measures taken so far have not been sufficiently productive, and in fact have been inadequate.

I should like to say a word about welfare. There are many Canadians who believe that the backlash I mentioned a moment ago—manifested in the recent election but not manifested only in that election—has been the result of what a good many people consider to be the abuses of welfare, particularly of unemployment insurance. Here again, undoubtedly abuses do exist and resentment is a natural result. But, as is the case with so many other social evils, the answer is not to be found in repressive and punitive measures. Shoplifters have been put in jail from time immemorial, but shoplifting continues and according to some it is on the increase. It is almost a cliché to say that the hanging of pickpockets in England 150 years ago did not eliminate or even reduce pickpocketing.

I was reading only this morning that 150 years ago or more there were 150 reasons for hanging people in one of our mother countries, in England, and those 150 reasons were used to hang people, including even children. No one could argue today, in the light of the test of history, that those hangings did anything to remove the evils they were supposed to remove.

Employers and others, especially those who sleep in their own homes every night, have continued to deplore the fact that it is so difficult to get men to work on construction and other projects, especially in the northlands. They point to the fantastic turnover in personnel. For example, the turnover of personnel engaged on construction and on many other enterprises is high in that great part of Canada, Labrador, which I once represented. Those employers and others, either directly or by implication, put the blame for that on our social welfare measures which, they say, encourage our working population to avoid work opportunities.

I have had some experience in this field of social welfare and I know there is and always has been some element of truth in this belief. My own feeling is that the number of abuses in that regard is probably directly proportionate to the number of dishonest people in our population. But it is not true, and it never has been true, that the great majority, or even a significant majority, of our Canadian people deliberately avoid work.

What about the other factors that have often been ignored? Indeed, they are usually ignored by some of the employers and perhaps by government also. Industry and governments alike are denying the laws of common sense, not to mention the laws of biology, if they expect 5,000 able-bodied men to spend 6 or 8 or 12 months in the wilds of Labrador, cut off from home and family, and not then seek ways and means of spending more time at home with their wives and children. That might have been possible under a system of slave labour, or something akin to slave labour. It is possible today. We know it is possible. It is being done today in some of the countries of the world where there are authoritarian regimes. But we cannot expect informed and relatively intelligent people, our Canadian people, in a free society such as ours claims to be, to tolerate this primitive approach to human needs and problems—this primitive approach which has characterized so much of our work opportunities, especially in basic industries like the fishing , logging and construction activities in the more remote parts of the country.

• (1430)

In the days when the alternative was starvation for himself and his dependants, the average logger was willing to work—and I know whereof I speak—in a state of continuous wetness resulting from rain, drizzle, snow and superhuman exertion, for hour after hour—12, 14, 15 hours a day, day after day, week after week. In the same way, our east coast fishermen were prepared to run the risks inherent in the Bank fishery and other fisheries, when the only alternative was starvation.

The hundreds of widows and orphans still to be found on the south coast of Newfoundland are a living and terrible testimony to this fact, as my colleague Senator Carter knows so well because the great majority of them are to be found in his former riding. They are a testimony to the fact that men did have to engage in occupations where the risk to human life was disproportionately high, and that they did so only to avoid starvation.

So let us not condemn the young man today, who knows the discomforts and dangers involved in some of these activities and who is intelligent enough to appreciate the odds involved in fishing, for example, in a trawler or a dragger off the Grand Banks of Newfoundland in the month of February. Let us not condemn him too much if on occasion he shows some reluctance to take advantage of that particular job opportunity.

Let us not condemn too quickly, either, the married man of 30 years of age who has two or three children and who is a little reluctant to take advantage of a job opportunity when it involves spending nine or ten months in the wilds of Labrador separated from his wife and children by 500 to 1,000 miles.

Perhaps another reason why there is a reluctance on the part of some people to take advantage of job opportunities is the fact that, apart from the dangers and other physical and psychological discomforts and deprivations,

our society continues to be unfair and discriminatory, especially in those areas where the type of work has been traditionally regarded as menial, subservient or even degrading. Although I do not need to give examples, the one that comes to mind most quickly is the realm of domestic service.

I should point out that the reluctance of many people to get involved in these work categories is not merely the result of the brainwashing which has been carried on over the years by a class-structured society such as ours has always been—a society which has been guilty of what has been referred to as "occupational snobbery." It is also the result of our practice of paying workers in those categories less than they should have been receiving. Why this should be, I have never been able to fathom. Let us be frank about this. Let us admit that some work is more unpleasant than other work. For example, collecting garbage, while a necessary and a respectable job, does have some unpleasant aspects in the minds of many people. Why then should not those who are called on to do such work and who are willing to do such work be compensated in proportion to the unpleasantness involved? The truth is that many of the so-called abuses that are alleged to characterize our social welfare programs are not the result of governments, whether federal, provincial or municipal, encouraging laziness or irresponsibility, but they are a reflection of more basic evils and defects in our society—a society which has tolerated economic disparities and class discrimination, while at the same time permitting—and I use this as an example—unrestricted advertising primarily by big business, to raise expectations in the minds of individuals which are far beyond the power of the individual to satisfy in normal ways.

Let me go back to this question of backlash. The big danger of a backlash against what are considered to be the abuses of social welfare in the broad sense of the word is that government and society generally may be induced to lessen their efforts to remove or ameliorate the abuses and injustices that still exist. It seems to me that there is a very simple principle that is being ignored or forgotten, and that is that social problems are not decreasing and are not becoming less difficult. On the contrary, they are increasing in kind, they are increasing numerically, and they are increasing above all in complexity, and if this country of ours, Canada, wants to reach a point were it can with justice and truth be described as a civilized society, if we truly want to reach that point, then far greater efforts must be made in the field of social welfare and elsewhere. But, honourable senators, these efforts must be characterized by intelligence and rationality rather than by repression, brutality or medieval concepts of what constitutes justice and morality.

In my maiden speech here last year I argued for a rational approach to the drug problem so that unfortunate addicts of the hard drugs could be treated for what they are, that is, sick persons, requiring the pity, the compassion and help of the rest of the community. I might add that the only reaction in the press to that comment of mine was a statement that "Rowe advocates legalized pot." As I say, I argued that there should be a rational approach to this problem so that the supply of drugs as well as the victims themselves could be removed from the hands of criminals. If we are to have any success in solving this problem, we must get the supply of drugs out of the hands of the criminals and get the thousands of victims—in the United States they number hundreds of thousands—out of the hands of the criminals where we have driven them. Surely we do not need to remind ourselves that the irrational and emotional approach which we took to the problem of alcohol just a generation or so ago resulted in putting the control of alcohol in the hands of the criminal. Then we tried to backtrack and it was too late. Well-meaning people in the United States, through their irrational, emotional approach to the matter, created these great criminal organizations which today threaten the very structure of that great nation. This has been so for the last 20 years. And surely we should not have to remind ourselves that in every single instance this same irrational, emotional and moralistic approach to the problem of prostitution has succeeded only in putting prostitution under the control of the criminal elements in our society.

• (1440)

I pointed out last year, and I repeat it now, that our penal system, in spite of the few reforms we have made, does not rehabilitate but for the most part degrades our fellow human beings to the ranks of animals. It fosters and sharpens any latent criminal capabilities that the unfortunate individuals may have when they are placed in our institutions. I asked then, and I ask now, for further revisions to our Criminal Code, not merely to mollycoddle the criminal elements, as the charge has been made, but rather to pinpoint those activities which are truly antisocial and from which society must be protected. Incidentally, if by mollycoddling, as my critics and the critics of others have alleged, they mean treating prisoners with fairness, dignity and humanity, then I plead guilty.

One of the ironies of our entire penal system is that the amount of rehabilitation resulting from it is almost nonexistent. On the other hand, all the indications are that it fosters and sharpens the proclivities toward criminality and it fosters antisocial and pathological behaviour. Over and over, persons incarcerated for minor offences are released and then have to be reincarcerated for major offences. Recidivism, violence and the shocking and scandalous disproportionate number of suicides and attempted suicides among prison inmates all indicate to me that there is something basically wrong with our system. There must be something wrong with our system.

Honourable senators, Canada prides itself on being a tolerant country. Unfortunately, the facts still indicate racial bias and discrimination. Obviously, we have made some progress. Equally obviously we have nothing to be proud about in this regard. Perhaps I do not need to say this, but I am a Canadian and I love this great country. I am proud to be a citizen of Canada. If I were given my choice of any country, there is no country of which I would rather be a citizen than Canada. I derive no pleasure from saying some of the things which I am saying here today. While we have made some progress in our attempt to remove discrimination, we have nothing to be proud of in this matter. I referred earlier to the significance of Senator Fergusson's appointment as Speaker, but let us not fool ourselves—I know this is a matter for

jokes and wisecracking but I am taking it very seriously—in believing that there is anything like equal opportunity for women in this country. Feminine emancipation in theory is a far cry from emancipation in practice. How else can one explain that in the last Parliament there was, if I remember correctly, one woman out of the 265 members of that house. In the average Canadian constituency today, at any level of government, federal, provincial or municipal, but particularly at the federal and provincial levels, assuming that all other things are equal among two candidates, no one can seriously contend that a woman has as good a chance to be elected as a male. This is not entirely due to male chauvinism. Women must share part of the blame for their failure to throw off the psychological inhibitions which make so many of them willing to be party to discrimination and bias against their own sex. In this whole matter of improving the status of women, Canada appears to be lagging behind much of the rest of the world.

• (1450)

I had the pleasure, together with several other senators, of attending the Inter-Parliamentary Conference in Rome in September last. I was happy to be a member and very proud of the contribution made by the Canadian delegation, which was a real contribution, under the leadership of Mr. Aitken, who was formerly a member of the House of Commons. Nevertheless, I was a little ashamed and, I might say, a little chagrined to know that the Canadian delegation was one of the few at that great conference which did not have a single woman member on it. Egypt had several women on its delegations; Bangladesh had three. Other mid-Eastern, African and other countries which we consider part of the undeveloped world, which we are inclined to look down on, had women delegates among their parliamentary representation.

In theory, all racial groups in Canada, regardless of origin, have equal opportunity. In practice we know that this is not so. I repeat, we have come a long way in this regard. At one time, for example, there was a great deal of discrimination in my own province, as well as in other parts of Canada, on the grounds of religion. That discrimination was a very real thing not too many years ago. There is still some of it left but fortunately much of it has disappeared. I do not think the disappearance is due so much to legislation as it is to education. We have to keep in mind constantly that discrimination, whether it is based on race, colour, language, religion, geography, or anything else, is an ugly and pernicious disease. It is a disease and we have to keep that word in mind when we are thinking of discrimination. Like all other diseases it injures more than some expect. In the long run it is a disease which leads to frustration and sometimes to irrational behaviour on the part of those discriminated against.

I was more than interested in the recent terrible incident in New Orleans. The report is that that poor wretch, that unfortunate individual who was guilty of that aberration, is supposed to have shouted, "I want to kill white people; I want to kill white people." He was not alone in that regard. There are today, I would suggest, thousands of people in that country who want to kill white people.

The irony, of course, is that those who practice discrimination eventually pay the cost themselves. The supreme example of that is to be found in the major cities of the United States day and night. Though the mills of God grind slowly, yet they grind exceeding small.

I do not think that legislation, no matter how enlightened and progressive, can destroy those evils. Legislation is, of course, necessary where abuses exist. Legislation and legislators must lead the way, but what is equally important is a revision of our whole psychological and philosophical approach to the problems of society. As long as a majority of people believe that the answer to drug addiction is putting some teenage boy or girl in jail for smoking marijuana cigarettes, as long as a majority of people in American society, or perhaps in our society, believe that violence can be cured by violence, "Shoot the so-and-so's," as long as a majority of people in society believe that one group has the divine right to impose its system of beliefs, whether political, sexual, religious, or economic, on other individuals or groups, the nation will remain essentially uncivilized, and the ultimate result, given modern conditions and modern development, must be chaos and anarchy. Without dwelling too morbidly on this point, let me say that it is one of the ironies of history that some of the so-called most civilized nations in the world are now approaching the point of utter chaos and anarchy.

We have told ourselves here in Canada, over and over again, that we are a progressive nation and that we will have a great future. As I said a moment ago, as one who is proud to be a citizen of Canada, whose people have lived in this land for over 300 years, as one who recognizes the leadership that Canada has provided from time to time in various fields of human endeavour, I feel compelled to say, and again I derive no pleasure from it, that I do not believe there is any guarantee that Canada will continue to progress. I do not believe that there is any guarantee that Canada will not in fact regress. I believe the danger of regression is greater today, not only in Canada, but in some of the other countries that we closely identify and associate with, than at any time perhaps in the last 100 years. I do not think this is pessimism; I think it is realism and I believe it would be folly for us not to recognize these possibilities.

Finally, on a more positive note, I want to reaffirm my conviction that we do have the resources, and it becomes something of a cliché to say it, the physical and human resources to correct some of the evils of which I have talked and others to which I did not refer, to remove some of the misery, frustration and deprivation which are still the heritage of far too many of our Canadian people. If we do that, not only shall we be making a great civilized nation, our own nation, but we shall be setting an example that other nations of the world will want to follow.

• (1500)

Hon. Rhéal Belisle: Honourable senators, in taking part in this debate, I should like first to thank the mover and the seconder of the motion for an Address in reply to the Speech from the Throne, and tell them that they did a wonderful job.

In the course of the Throne Speech, the Prime Minister, through the voice of our distinguished Governor General, gave the impression that the government was presenting a cherry pie to all Canadian voters. The mover and the

seconder of the Address added to this impression by placing whipped cream on top.

May I say to you, Madam Speaker, how pleased I was on hearing that you had been selected as our first lady Speaker, and I offer you my most sincere felicitations. Not only do we appreciate your appointment, but your eloquence and vast experience will help us to understand better the numerous injustices of which women in this country have been the victims since Canada became a nation. Certainly your appointment to this office of Speaker cannot be construed as an injustice to women.

During 1971 I had the opportunity of speaking in your place in the debate on the report of the Royal Commission on the Status of Women. With your kind permission I should like to read a paragraph from what I said on February 9, 1971:

> To conclude, I would like to say that I consider it an injustice that there should be no women in Canada's Supreme Court, Superior Court, or as county judges in Ontario.
>
> I deplore the paucity of women among the members of the federal House of Commons. During the eight years I was a member of the Ontario legislature, there were no women among the representatives. I am proud to say that when I accepted the chairmanship of the Board of Governors of the University of Sudbury, three ladies became governors.

Which does not have to be attributed to my weakness for the opposite sex.

> They are doing excellent work. I am proud to see Mrs. Georges Vanier as Chancellor of Ottawa University. I hope that other universities will do as well.
>
> Mr. Speaker, I often praised the excellent work you are doing among us. Mrs. Deschatelets carries out her duties with great dignity, but I would like to be in the Senate long enough to have the privilege of sitting under the speakership of a female senator.
>
> There is no field of human endeavour which cannot be enlightened through the beneficial power of women. In this era of technology, where man is threatened to become a slave instead of a master of the machines he has created through a God-given gift, where he could destroy by his carelessness his civilization with the terrible powers he has learned to unleash, it is the women's duty to save him from this peril and to see that our race enjoys a safe and human future.

Your Honour, I have no intention of saying that I am related to any of the former prophets, but permit me to say in all humility that it is more than time that men recognized your unlimited contribution. In one respect this can be called a sexual revolution.

The series of changes which have taken place in the Canadian framework over the past few years are of the same magnitude as those which required a whole century to take shape.

I am pleased to add that it is an honour to follow Senator Rowe who, in delivering a very enlightening address this afternoon, has proven to us that he also is a prophet of the future.

[*Translation*]

Honourable senators, may I be permitted to say to Senator Hicks that I followed attentively the masterly speech he delivered as he moved that an Address be presented to the Governor General in reply to the Speech from the Throne. His remarks on the mass media were most pertinent.

My dear colleague Senator Paul Lafond, who seconded the motion, displayed great wisdom when he tried to sell us the contents of the speech. He showed almost as much competence as the philosopher Aristotle. That was not a superficial effort on his part for we have known of his abilities for a long time.

Senator Paul Martin also deserves congratulations. He was at his best. Senator Jacques Flynn, my leader, showed great ability in deflating that balloon seemingly full of election air. His remarks about his strong attachment to the Conservative party convinced us that our party would be much stronger in Quebec if we had more men of his talent and energy.

The reinforcement we got through the appointment of five new senators has strenghtened us, not only in the matter of ability, wisdom and experience, but as regards womanly beauty as well.

[*English*]

Honourable senators, may I say a few words about the Leader of the Government in the Senate, the Honourable Paul Martin. Through three decades of turmoil and hopes not quite realized, Paul Martin maintained a personal integrity beyond challenge and a loyalty among the rank and file of his party that other aspirant political leaders might well envy. Through years when the terms of office of Liberal governments were marred by scandal in high places, and bungling among senior bureaucrats and ministers, not even bitter critics could seriously question the sincerity of Paul Martin in pursuing the goals he saw necessary to national progress. He may at times have been wrong, but never from arrogance or rashness. I was indeed pleased and honoured to be invited to the installation of the Honourable Paul Martin as Chancellor of Waterloo Lutheran University. If success and achievement in life is a yardstick that will be used by those who write history, I have the belief that some pages will be written in Senator Martin's honour.

• (1510)

Hon. Senators: Hear, hear.

Hon. Mr. Belisle: Senator Eugene Forsey, who has enhanced this chamber since his appointment and who has made a very large contribution to our academic and social fields of endeavour, has also brought honour and distinction to the Senate by being appointed Chancellor of Trent University. This learned and wise counsel has contributed so immensely to the building of our Canadian mosaic fabric that it is a common thing to offer him felicitations. Suffice it for me to say that I would love to see more men of such high calibre on the Canadian scene.

Hon. Senators: Hear, hear.

Hon. Mr. Belisle: Honourable senators, at the opening ceremony we heard very eloquent tributes paid to the late Right Honourable Lester B. Pearson by the Leader of the Government, the Leader of the Opposition, and others.

However, since it was my privilege to be the provincial member of the riding of Nickel Belt, which was mostly within the federal riding of Mr. Pearson, for eight years, may I be permitted to say, on behalf of those people, that nowhere in Canada will Lester B. Pearson be more sadly mourned than in that region of Ontario. His visits to the constituency were less frequent than those of an ordinary member of Parliament, but he was on a first name basis with a great many of the area residents.

Mike Pearson was like that. He was essentially a friendly man with a dislike for pomp. He talked with kings, emperors and presidents, but never lost the art of a cheerful grin and a conversational word for people along the North Shore. He played on the world stage, but was equally at home during a Saturday night smoker at the Espanola Legion. Pearson was a Canadian who made this country's voice important in world affairs. As External Affairs Minister in the St. Laurent government, he won the Nobel Peace Prize for his work in getting a United Nations peace force, largely composed of Canadians, interposed between Israel and the forces of the Arab nations in 1956.

I had the privilege of visiting Israel as a guest of that distinguished lady Prime Minister, Mrs. Golda Meir, in 1970, and while there I heard many good comments about Mike Pearson. Among the many honours bestowed on Lester B. Pearson during his long and brillant career was the Medallion of Valour awarded him by Israel in recognition of his efforts to achieve peace in the Middle East.

Honourable senators, as it was my privilege to serve under the late Honourable George Drew, may I express, on behalf of the people of the north and all those of Ontario, our sincere regret for the loss of this great architect who planned the success that Ontario has been enjoying for the last thirty years. It was, undoubtedly, his talent, his ingenuity, and his political psychology that enabled his government to lay the foundation for a prosperous and industrious Ontario.

If flowers were to be given as a result of the Throne Speech, I would direct them to those who wrote it. It is much more appealing in nature than the last election slogan of the Liberal party: "The land is strong." It was another sales pitch by a government which was left disheartened and divided by the result of the last federal election.

Liberal leaders and their followers are already beginning to recover from the depressing results of that election. After all the promises that the Speech from the Throne would be specific we were presented with a speech that is nothing of the sort. It covers almost every page in the many volumes of the Revised Statutes of Canada, promising amendments hither and yon, but precisely what amendments, or what specific targets the government is aiming for, members of Parliament will not know until it pleases Mr. Trudeau to tell them. That is, of course, unless they belong to the Liberal-New Democratic Party caucus, in which case they may get advance notice.

It seems to me that this mariage d'occasion between the Liberals and the New Democrats will be a thing for them to regret. Trudeau and Lewis are strange bedfellows. I am convinced that they will be making a fatal mistake if they assume that by such a wedlock it will be easy to increase their majority in 1973. It will not. In politics nothing is more dangerous than misreading the political past. The voters registered a decisive verdict of non-confidence in the arrogant and self-righteous government of the last few years. If the New Democratic Party did increase slightly their very small number at the last election, it was definitely not because of their saying to the people that they were in love with the Liberals.

The Right Honourable the Prime Minister is trying to create a new image of absolute candor, revealing only absolute pragmatism. Mr. Trudeau told us before Parliament opened that he intended to keep pretty much the same policies but "sell them better" to the electorate. Same old bird in new feathers.

As I think back, this was a switch from his immediate past election utterances, which seemed very contrite and chastened. The switch may have taken place in caucus or in a cabinet meeting where the ascendant right wing of the party strongly put forward their views, and Trudeau perforce listened, for he can now no longer wield unquestioned power in caucus. He, Marchand, Goyer, and a few others are the persons to blame for near disaster in Liberal ranks in October. Whatever may have been the cause, our enigmatic Prime Minister and the government have undoubtedly adopted the view that they will have to become better salesmen, and that candies and sweetness will not necessarily make up for their poor administration.

When I hear this, and then recall what the people in Canada talked about when I met them during the campaign, I can only believe that Liberals are completely out of tune with the times. The anger displayed by the people I met was not against a government that was doing too much, but rather against a government that stood by cynically while little was being done to curb the cost of living, and next to nothing to assist the elderly and the poor or to curb the rising tide of unemployment.

• (1520)

Honourable senators, the realities of the marketplace must be faced head on, now that Britain has entered the European Common Market. The trouble with a national mineral policy for Canada, which the Trudeau minority government apparently still intends to pursue, is that the "national" still connotes "nationalism," with all that it implies. Thus, Energy, Mines and Resources Minister Donald S. Macdonald in a Toronto address said:

> There is little doubt that the future development potential of the minerals sector of our national economy affords the nation a most significant opportunity to realize a wide range of social, economic and political priorities.

Yet Canada's exports of aluminum, asbestos, lead, and zinc to the United Kingdom, and to the Common Market which Britain joined on January 1, face significant tariff barriers. In fact, the two Canadian aluminum producing companies have had to shift a substantial part of their resources to Europe to meet this situation. This suggests that economic realities, and the marketplace in particular, are still the overriding consideration in the development of Canada's mineral industries.

It is no use issuing a government edict on further processing beyond the prime metal stage, for example, if the

market for lead and zinc in the EEC is in the form of ores and concentrates. It is still the buyer who determines what and how much will be shipped. Previously, zinc in the form of pigs, blocks, and slabs, was admitted duty-free to the United Kingdom. Now, with Britain joining the Common Market, it will face a duty of $US1.10 per 100 kilograms, or 4.5 per cent, and a reverse preference in favour of EEC suppliers. Similarly, lead in pigs, blocks, and shots will have to surmount the same external tariff. Italy, France and Belgium all have zinc smelting industries, and this no doubt accounts for the quite restrictive policy adopted by the Community on imports of zinc metal. Because of this, Canada may have to ship more zinc in the form of ores and concentrates. The same thing applies to lead.

Refined copper and alloys will continue to have free access to the British market. Canada's shipments of blister and refined copper to the United Kingdom in 1971 totalled 994 thousand metric tons, to the EEC 56.9 thousand metric tons, and to the United States 107.3 thousand metric tons. The point is that it is futile to talk about national strategy for minerals unless the economic realities of the marketplace are faced head on.

The Common Market offers the largest potential for exports outside the United States, but to benefit from it may require policies directly counter to those espoused by the academic élite.

If you scrutinize and assess the real meaning of most of the phraseology of the Throne Speech, I think you can summarize it by saying that in it Prime Minister Trudeau said, "The lesson of past agony is that without the people we can do nothing; with the people we can do everything."

He has the majority of the voters of Quebec with him, but Mr. Stanfield has the other nine provinces. When I hear my friends the Liberals say that the result of the last election was a backlash of English Canada against French Canadians I am really perplexed. How can it be explained that English-speaking people in Ontario and the rest of Canada, who have for years been Conservative, and who returned to their own Conservative Party because the Trudeau government was a failure, are called anti-French? When La Belle Province of Quebec supported and voted for a Liberal French Prime Minister, could that not be called anti-English? This really puzzles me.

I think my friends in the Liberal Party are running so short of idealism that they have confused themselves by the metric rule and the Imperial yardstick—that is, if a yardstick is used for Ontario it should also apply to Quebec. When there is failure in social and economic spheres, why hide under the cloak of philosophical nationalism?

Our concern should be for a united Canada and for a government that will promote the harmony and welfare of all sections of the country, and all segments of our diverse population. It is not the nice platitudes of the Speech from the Throne but direct and rapid action to alleviate unemployment, to curb inflation, and to improve social and economic conditions that will help to solve our serious problems. In this respect the Liberal government has a dismal record. It will soon be necessary for a new government, specifically Conservative and headed by Mr. Stanfield, to tackle these serious problems in order to assure their solution in the best interests of the total Canadian society, and all the people who have helped to build our great country.

Hon. George McIlraith: Honourable senators, in rising to take part in the debate on the Address in reply to the Speech from the Throne I want to avail myself of this very first opportunity to congratulate Her Honour the Speaker.

Madam Speaker, in congratulating you on your appointment to this high office, I should like to add another note, one of congratulation to the advisers to His Excellency for their exquisite judgment and wisdom in selecting a person of such high distinction and, incidentally, may I add, of such tact as yourself. If we have the good fortune here as senators to be able on occasion to demonstrate our confidence in the Chair, I am sure I speak for all when I say that we indeed wish that you occupy that post for a long time in this Parliament.

• (1530)

Hon. Senators: Hear, hear.

Hon. Mr. McIlraith: Now, Madam Speaker, I must divest myself of habits learned in another place, and must not address my remarks to you, but learn to address them to my colleagues in the Senate. I must divest myself of that habit very rapidly, but before I do so, Madam Speaker, may I seek your indulgence? If I carry with me a bad habit from the other place, one which I have had great difficulty in restraining since coming to this place—that is, the ever-present desire to heckle the honourable senators, the Leader of Her Majesty's Loyal Opposition in the Senate and the Leader of the Government in the Senate—I hope I shall have the indulgence of honourable senators, and the understanding of my fellow happy warriors of another age in the other place.

Honourable senators, it seems to have been customary—and if it is not customary I want, in any event, to enjoy it—to congratulate the newer arrivals, those five who more recently than I were summoned to this place.

I must first make reference to the new lady senator and welcome her, because of the undoubted contribution I know she will make.

I feel I should also ask for the right to welcome those four happy warriors from the House of Commons who have come here, I hope, to join me in what lies ahead in the Senate of Canada.

In opening these remarks, I am perplexed as to how to approach an Address of this sort here because, when I look at the membership in the Senate, I am reminded that, with the exception of two, all other senators were summoned to the Senate after I was fortunate enough to be elected to the House of Commons, and large numbers of them I have had occasion to greet on their arrival here.

The other two senators, Senator Hayden and Senator Paterson, took their places in the Senate in May of 1940, on that same day that I was fortunate enough to take my place as a newly elected member of the House of Commons. Both they and I have continued in Parliament ever since.

Of course, in addition there are senators in this place now who were elected to the House of Commons before I

was. I can see three or four of them around at the moment.

With that background of contact with the senators, but being a very new one myself, I find it rather confusing to know just how to approach this body in regard to the Address. This is further confused by the fact that not long ago for a period of seven or eight years it was my fortune to have the responsibility of dealing with legislation, to the number of about six major bills a year, in the committees of the Senate. That was during the latter part of the 1940s and the early part of the 1950s. I must say that I can speak only with the utmost respect of the competent work done by those Senate committee members, in examining the legislation that I had the responsibility, along with the minister to whom I was parliamentary assistant, to present at that time. I have retained throughout the years, in the subsequent vicissitudes of my parliamentary life, that respect for the work of those men, as I saw them, in examining and improving legislation brought over to this chamber from the other place. I do not wish to commence naming members of those committees, many of whom are now gone from us, but their work certainly deserves recognition.

There was another feature of their work which has not been written about in any of the textbooks I have seen published recently by political scientists. By the way, sometimes it seems to me that they turn out those textbooks rather too quickly and too easily. Neither have I heard this feature spoken of, but it was something I came to appreciate and value very much. It is the salutary effect of the careful, responsible examination and cross-examination of witnesses produced before the committees. I am thinking in terms of public servants who came as witnesses before the committee and who would have the responsibility of administering the legislation then being enacted. They had the task of explaining and answering exactly how they proposed to administer the legislation. This raised on all too many occasions questions that had to be settled in the ministry, and in the department right after the hearing. It undoubtedly improved the quality of that legislation in its effect on those people who would come in direct contact with it. It also undoubtedly improved the quality of achievement of the objectives of the Parliament of the day, and in many instances it removed from the administration of the act what would have been harshness or injustice to individuals directly affected by it.

Therefore, when I speak here today honourable senators will understand me if, with that background, I may appear at times to be a little more presumptive than might be expected of a new member. If that is true, I do so in all humility. That is the way I approach my work.

Honourable senators, I was singularly appreciative of the remarks made here the other day by the mover and seconder of the Address in reply to the Speech from the Throne. Of course, I congratulate them and I join with those who have congratulated them. In speaking of my appreciation of their remarks, perhaps I should deal with them individually.

The honourable senator from Halifax, Senator Hicks, particularly attracted my attention when he made reference to the Canadian Broadcasting Corporation. The point he made was particularly valid and interesting. Quite frankly, I had not thought of it before, but if any proof were needed of the validity of the point he raised about the quality required of the publicly financed television system, the proof of the validity of the point raised by him was given on the program "Something Else" last evening. I watched that program with intense interest. If any illustration were needed to give complete validity to the point Senator Hicks raised about the CBC, it was contained in that program.

• (1540)

Incidentally, I might add that the quality of performance of Senator Hicks on television, as revealed by the colour television broadcast last evening, was of a very high order indeed. For my part I hope to see a great deal more of him. If he ever departs from this place and from the university he heads he has another occupation waiting for him.

Hon. Mr. Connolly (Ottawa West): He is an old pro.

Hon. Mr. McIlraith: My long time friend from Hull, Senator Lafond, also raised a point that interested me very much. It was his treatment of the delicate and difficult subject of bilingualism—language training and the like. What interested me particularly about the two senators together in their approach to the Address in reply was that each made his point about national unity. For instance, Senator Hicks' point about the CBC was made in the context of its effect on national unity. Senator Lafond's remarks were made in the context of national unity as well.

When it was first my fortune to take an active part in public life there was in this country a basic preoccupation with the subject of national unity which, in the latter part of the thirties, took the form of a commission and report—the Rowell-Sirois Commission—although that soon got crowded aside by the advent of war. The first election in which I fought as a candidate took place in 1940. As I recall, in the then "new" atmosphere in which I arrived as a member of Parliament, and in which the government of that day had to carry on the prosecution of the war efforts, I was confronted continuously with the requirement to consider in this country the problem of national unity. It can be variously expressed, but for the sake of simplicity I think the term "national unity" is best. National unity was a problem that persisted and received great attention throughout those war years, and it was the skilful handling of it which enabled this country to make, indeed, a war effort of which Canadians can be very proud.

That is what happened in the Nineteenth Parliament, when I was a new member of the House of Commons. Well, the requirement has continued throughout the years, and now that we are entering the Twenty-ninth Parliament and I find myself a new member of this part of the parliamentary process, the Senate of Canada, I find that again we must be preoccupied with the subject of national unity.

Thus it was that I was very happy indeed to see the two honourable senators recognize the problem, and express in their own ways their attitudes on different points as they affect the national unity of this country.

In my opinion it is something that is absolutely vital and basic to the performance of any government of this country, indeed, to the very governing of this country, because if government, any government, does not handle that problem successfully, with judgment and with skill, we will not long continue to have a country to govern—that is, a country in the present context. It may seem rather elementary to say that this is of necessity inherent in a country of this size, with the comparative lack of density of population in vast areas of the country. It may, indeed, sound simplistic to say that it will be a continuing problem in this country, which has drawn its population from peoples of diverse backgrounds who have come to this country to achieve freedom and independence and advantageous economic opportunities for themselves and their families. It may sound simplistic, but I believe it is something that requires repeating, and that we should refresh our memories on that basic fact from time to time and, in doing so, keep ourselves aware in all our efforts of that background of reality that exists, and must exist, in all governmental processes in this country.

Honourable senators, in this Twenty-ninth Parliament the Speech from the Throne is tremendously interesting. It is interesting for several reasons, but it is interesting for one obvious and outstanding, if rather elementary, reason. It sets a new precedent in modern times for the thoroughness with which it lays before Parliament the kind of legislative program with which it will be confronted once the government has been granted the vote of confidence which is, of course, the necessary prerequisite to the right of any government to present its legislation. Notwithstanding some curious motions that were put in the other place two days ago, the vote of confidence is still a necessary prerequisite before a government can present legislation.

It is quite clear that we will have a massive program of legislation with which to concern ourselves during this session of this Parliament, and I look forward to it. At the moment, however, I want to comment briefly on one or two parts of the Speech from the Throne, which deals extensively with the subject of national unity. Let me draw to your attention the concern which is expressed about the regional development programs. This concern was expressed also in the election campaign, and whether by way of attack or support is not at all the point I am trying to make. The point is that there is an extensive concern with the effort to make conditions possible that would keep this country together as an effective operating unit.

At the risk of being a bit repetitious, let me draw your attention, honourable senators, to the part of the Throne Speech which reads:

> The Government will propose to the Governments of British Columbia, Alberta, Saskatchewan and Manitoba that they join with it in the convening of a conference on western economic opportunities. Such a conference would be a unique venture in the history of federal-provincial relations in Canada. It could be jointly planned, and held in the West in the course of the summer. Its purpose would be to explore potentials for economic and social development and, specifically, to consider concrete programs for stimulating and broadening the economic and industrial base of western Canada.

• (1550)

And then it goes on to deal with what the government would propose for discussion, and it develops this theme in the succeeding three or four paragraphs. Surely, this new initiative on the part of the government is something which must be commended, and strongly commended, particularly when one considers the situation of a government which has in the recent election received such little support in terms of numbers from that part of the country. Therefore this bold, new, far-sighted initiative to remove from that area, or at least to seek to remove from that area, the disabilities from which the people there feel they suffer, is one that should commend itself to all parliamentarians whether supporting or opposing the government.

Naturally the success of the conference will depend in large measure on the co-operation of the governments and the premiers of those four provinces, and it is a fact that those four premiers are from parties other than that which forms the federal government at the present time. Therefore, there will undoubtedly be in those provincial legislatures, or at least in those provincial governments, an urge to fight the government here, but let me say that I have sufficient confidence in those four premiers to believe that they will see the importance to the country of the real issue involved. I have no doubt that they will see that it is important to them that they should make the maximum contribution possible so that the conference will result in the most effective solutions to the problems that confront that vast and resource-rich area of the country. I believe they will rise to the occasion.

Another part of the Throne Speech that interests me greatly, honourable senators—I might add that the speech in its entirety is one that I regard as being farsighted, but the following extract interests me particularly:

> Parliament will be asked to confirm the basic principles of the Government's program for bilingualism in the Public Service.
>
> The Government will continue to work in furtherance of the objectives of the Official Languages Act. Further assistance will be offered to the Provinces to help ensure that to the extent possible:
>
> —Canadians can educate their children in the official language of their choice
>
> —Canadian students can learn, as a second language, the other official language
>
> —Provincial governments can develop an increased capacity to serve their citizens in both official languages, as may be required.
>
> The Government will continue to encourage through its multicultural policy the development of a society in which individuals and groups can develop and express their own cultural identity. An Advisory Council to the Minister of State responsible for multiculturalism will be established.

That thrust to a measure that has already been brought forward by the government—and here I must say in fairness that basically it received the approval of the Opposi-

tion parties so far as policy on bilingualism is concerned—is of vital importance to the future of this country. Any mishandling of it on our part, as I see it, can have very serious consequences for the country.

• (1600)

I, for one, look forward to legislation coming before this house so we can examine it and discuss all of its implications. I am aware, as I am sure other parliamentarians and politicians must be, that there are those among us who say we must not mention the subject of national unity. We must not raise it in debate, or discuss the issue. Indeed, I was shocked to notice that the press and many of our political friends on both sides questioned the Prime Minister's wisdom in raising a matter of such vital importance as bilingualism for discussion by Parliament.

Honourable senators, if we cannot discuss these basic problems which go to the root of our operations in this country, and which deal with the very basis of our national unity, then what is Parliament for, and where should these matters be raised? Perhaps somewhere in a comfortable living room on a pleasant evening? They should be discussed in Parliament. I hope I do not hear from honourable senators in this place, or read in *Hansard* of the other place, any further criticism regarding raising a subject of this importance for debate or discussion and, perhaps, projected administrative action by the Government of Canada as a result of legislation.

I learned during the war years that in matters of vital urgency, when many desired to carry on with the prosecution of the war, some politicians were impatient with the procedures which were being taken in an effort to preserve the national unity of the country. They were impatient when we sought to discuss the basic issues affecting this country, and they wished to get on with the immediate job which all too often was important but nonetheless much smaller in comparison. I see a tendency in this country at this moment for the same cry to arise. I repudiate and reject such an approach to the problem and I welcome the opportunity which we will have during this session of Parliament to discuss these matters.

The Throne Speech contains many programs for legislation and I will not deal with them at this time other than to say that I hope when we come to deal with them, and particularly in the committee stage, we can give them a thorough examination, and cross-examine the relevant witness to the end that we will produce the best possible legislation, and, after it has been enacted, the best possible administration of that legislation.

• (1610)

Honourable senators, I had the good fortune last October to head, for the Canadian Parliamentary Association, the Canadian delegation to the Eighteenth Commonwealth Parliamentary Conference in Malawi. I will be making a report to the Senate on that matter in the ordinary and traditional way on another occasion, and I do not wish to speak with respect to it now. However, I do wish to raise for your consideration a matter that arose out of my visit to East Africa, my observations there, and some discussions I had on a subsequent trip to South Africa. I believe that I should draw these matters to the attention of this house.

[Hon. Mr. McIlraith.]

While attending the conference in Malawi I had occasion to hear two speeches from His Excellency the Life President, the Honourable Dr. Hastings Banda, and I had occasion to see a film that had been created of his visit to South Africa. I also had an opportunity, which I valued very much, to have a rather thorough discussion with him after the conference was ended. There is a strange sidestory about how that came about, but it was a most interesting and, from my point of view and to my benefit, important interview.

I then went to South Africa where I had an all too short stay. However, I had an opportunity to try to confirm some ideas I had been developing, and find out some facts for myself regarding the problems related to that country which are discussed in this country and in the United States a great deal, and which must concern all parliamentarians everywhere. As a result, I wish to make reference to this subject briefly.

Arising out of the attitude taken by Dr. Banda, the Life President of the Republic of Malawi, and based on some of the ideas I had been developing, I came to the conclusion that the method—that is the method being used by the United Nations, supported fully by us in this country—to bring about a better opportunity for very large numbers of the South African population—better treatment if you like, better educational opportunities, better economic opportunities, better conditions of living, better health standards, removal of discriminatory practices, et cetera—is not the best possible method. The solutions we are advocating are not those that will achieve the results we all desire.

I am quite sure that all parliamentarians here are one in not liking, and having an abhorrence of, many of what are known by them as petty apartheid policies of discrimination. They are offensive to any freedom-loving person. It became quite obvious to me, however, that the suggested remedies will not achieve the desired objective. They are in my opinion less than adequate. They are in the nature of reprimand, and are economically restricting the development of that country. I suggest to you that if better conditions are to be achieved for a population as large as the black population in South Africa it is stupid to talk about restricting the economy of the country, because it is the economy of that country that basically must produce the wealth that will provide these standards. We must therefore seek other and better methods.

May I point out that I tried to obtain accurate statistics as to the growth of the black population in South Africa, and received two conflicting figures. I have not been able to pursue the subject sufficiently to have a figure of which I am absolutely certain. However, one figure widely published is that the black population in South Africa doubled in the ten years between 1960 and 1970. Another is that the black population in South Africa increased by 60 per cent in the decade between 1960 and 1970.

As I say, I have not yet confirmed which figure is accurate. In any event, it is very clear that the growth is rapid indeed. With that rate of growth any economy, to provide adequately for the population, must be a very, very rapidly expanding one. That must be self-evident, and the art will be to achieve correction of these matters of which I complain in a manner which will not restrict

that economy. Indeed, some of the steps taken to punish that country by interfering to prevent the construction of a major dam there almost smack of naïvety, because they only prevented the development of a project which would help the population, mainly blacks, in the area concerned. This is only one illustration of the wrongness of the present method being used by those who wish to improve the lot of the black population in South Africa.

Incidentally, some aspects of some of the things being done in that country do not receive adequate recognition in this country. Do not misunderstand me on that; I am not approving in any way the apartheid program, and I take second place to none in abhorring many parts of it. What I am saying, however, is that some of the efforts made in that country by its government to improve conditions do not receive attention and support.

There is an interesting and amazing lack of information here on the extent to which they have assisted industry for the benefit of the blacks, some of it outside the black areas and owned by whites, but some of it inside their areas and under the tight restriction of being owned only by blacks, or persons who will turn it over to blacks as soon as they are available to take it. Some of this belongs to the blacks now, but the remainder will as rapidly as can be accomplished come into their possession, and will not be allowed to be operated otherwise.

Some of the good things are not raised in discussion of this problem and I, honourable senators, have the temerity to hope that our Foreign Affairs Committee, when it is set up and when it completes the work it carried on during the last session, can find the time during this session of Parliament to examine this problem in some depth.

• (1620)

Some useful work was done last year when the problem was examined by a committee of the other place. However, the work covered only one aspect of the problem, and was not sufficiently extensive to base a responsible solution. The committee did not deal adequately with the problem, but rather dismissed what is now being advocated by several leaders of black African countries, namely, the method of contact, debate, and so on.

While at the Malawi Conference I could not help but notice that when discussions on racism were taking place, all too often only racism as practised by whites in South Africa was discussed, but not racism as practised by blacks in Uganda and other countries. Noticeable too was the regrettable absence of South African parliamentarians. I believe that their presence at the conference would have been beneficial. However right or wrong their exclusion from the Commonwealth was—and I do not propose to discuss that point now, or revive a discussion of the action taken in that regard several years ago—the fact of South Africa being out of the Commonwealth means that we have lost an area of contact with fellow parliamentarians in a similar system of government, to our great disadvantage in getting a correction of policies that we regard as unacceptable. Let us not be blind to that fact.

Perhaps we should give some consideration to having groups of senators—I anticipate that members of the other place will be rather closely confined to Ottawa in the next few months or years, or at least until the next general election—meet with groups of fellow legislators from South Africa, in order to better understand each other's viewpoint. It might well be that new initiatives should be taken by Canada at the United Nations to seek a more effective solution to the problem, a more effective remedy, a more effective means of bringing about what we all desire. I hope that we shall find the means and the time to discuss this subject more thoroughly. Such an effort would be well worthwhile.

While in East Africa, I was impressed by the inadequacy of our knowledge, at government level, of those countries. It is not difficult to understand why. Canada has no representative in Malawi, although over 1,000 Canadians work there on one program or another. I believe that situation is about to be corrected. I respectfully suggest that it must be examined. It should not be corrected by enlarging the scope of responsibility of a Canadian representative in another country. Such a representative could not effectively undertake this additional task. Rather, we should appoint a full-time representative, if necessary at a more junior level than that of high commissioner.

I hope that such matters can be examined in depth in an effort to improve the situation, and that we shall be able to play our part in bringing about a larger measure of political freedom, of freedom of opportunity in education, of freedom of opportunity in the economic sense, and a larger measure of freedom in the sense of freedom from suffering consequent on inadequate health care, for the underprivileged section of South Africa's population.

Honourable senators, in conclusion—

Hon. Mr. Deschatelets: Before the honourable senator leaves this important subject, may I be permitted to ask him a question? I understand that he is going to present a report on the conference. I should like to know whether the one-party system, which exists in the majority of African states, was discussed during the conference. If so, perhaps the honourable senator would be kind enough to report the views expressed on this subject by the African delegates.

Hon. Mr. McIlraith: That is a rather extensive subject. It was discussed frequently in private among the delegates, and directly or incidentally in the debates themselves on several occasions. I have in my office a copy of the Constitution of Malawi, which provides for a one-party system. I have also two copies of the Constitution of the one party. It is an interesting document, and I commend it to those honourable senators who might wish to read it. In doing so, they will understand some of the problems involved. However, I hope that none of them will recommend that we accept or copy the system in any respect.

When the system resulted in the election of members from that one party only, Malawi promptly amended the constitution allowing the President to appoint others to the house. A group of five persons was appointed—very able men, incidentally—who collectively are called the opposition. The method of their participation in government, in the technical sense, is fascinating to one accustomed to our own parliamentary system, but their system is quite effective. Regrettably, however, other countries in the immediate neighbourhood of Malawi, who wish to adopt the one-party system, and who are actively setting

about achieving it, are doing so for reasons which are more destructive in nature.

I do not wish to detain honourable senators by enlarging on this subject at this time, although I would dearly like to discuss it. I thank honourable senators for hearing me so patiently.

On motion of Senator O'Leary, debate adjourned.

The Senate adjourned until Tuesday, January 16 at 8 p.m.

THE SENATE

Tuesday, January 16, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin: Honourable senators, before tabling certain documents, I should like to welcome Senator Choquette back to the chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: I table the following documents:

Report of the Department of National Revenue containing Tables and Statements relative to Customs, Excise and Taxation for the fiscal year ended March 31, 1972, pursuant to section 5 of the Department of National Revenue Act, chapter N-15, R.S.C., 1970.

Report of the Department of Supply and Services, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 12 of the Department of Supply and Services Act, chapter S-18, R.S.C., 1970.

Report of the Canada Council, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 23 of the Canada Council Act, chapter C-2, R.S.C., 1970.

Report of the Canadian Film Development Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 20 of the Canadian Film Development Corporation Act, chapter C-8, R.S.C., 1970.

Report of the National Film Board of Canada, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 20(2) of the National Film Act, chapter N-7, R.S.C., 1970.

Report of the National Museums of Canada, including accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 22 of the National Museums Act, chapter N-12, R.S.C., 1970.

TRANSPORTATION

RAILWAY PASSES FOR SENATORS—QUESTION OF PRIVILEGE

Hon. Edgar Fournier: Honourable senators, I rise on a question of privilege. Being unprepared, I ask the indulgence of the house. My problem will be of interest to all senators and also members of the other place.

Like all senators, I am in possession of a railway pass. Mine is No. 28, issued in 1973 to the Honourable Edgar Fournier, New Brunswick, and reads as follows:

> —is a member of the Senate of Canada and is entitled by law to free transportation, with his baggage, upon all Railway trains in Canada.

Underneath that it says:

> (Chap. R2, R.S.C. 1970)

The pass is attested by "R. Fortier."

I find that my pass is not accepted on some trains, specifically the *Rapido*. My pass is not accepted on that train unless I have a reservation, and to make a reservation I have to call the station.

In Volume I of the *Debates of the Senate* for 1969-70, at pages 360-64, honourable senators will note that I discussed this problem at some length, giving all the details. At that time I reported that I had found it necessary to cheat in order to get on the train. However, I cannot cheat any longer because the gates are closed and I cannot get in.

The pass is written in good English and it states exactly what it means.

Furthermore, I have had to pay baggage charges. I had to ship a suitcase weighing 26 pounds by CNR Express, for which they charged me $4.90. I do not mind paying the CNR a few dollars if it will help the economy of the railway; however, getting on the train is a different problem.

I cannot see why I have to repeat something that I said three years ago, but the situation has not changed. I assure honourable senators that there is nothing in my mind which causes me to be reluctant. I intend pursuing this matter further. If necessary, I shall take it up with the President of the CNR. I feel it is a most unfortunate situation, and it should not continue.

• (2010)

If I may, honourable senators, to demonstrate my point, I should like to relate an experience I had just recently. On Saturday afternoon I went to the CN office in Montreal to confirm that the pass would not be accepted, and I was told that my pass would not be accepted unless I had a reservation. Yesterday morning my wife wanted to go from Montreal to our home. We arrived at the CNR ticket office at 7.30, and by 7.34 we were lined up at the wicket. There were four or five wickets open at that time to serve the public and there were approximately 50 people. We lined up at a wicket where there were four other people, a woman and three men. The woman seemed to have some difficulty with her arrangements, and, consequently, the passenger agent took 14 minutes to deal with her. It took the first gentleman eight minutes to make his arrangements and the other two gentlemen a minute and a half each. It then took the passenger agent three minutes to confirm space on the train for my wife.

To make a long story short, honourable senators, there was only a three-minute margin from the time we got through the ticket office and the time the train was to leave. I am wondering how many people were left at the counter waiting to purchase a ticket because the train left

at exactly 8 o'clock. I am sure there were many people with reservations to Quebec City on the *Rapido* who could not reach a wicket in time because of the line-ups.

I believe there is a lack of communication between the operators and the ticket sellers.

I want to assure honourable senators that this matter will be carried further. If there were a Nobel prize to be given for administration, the CNR would qualify with great honour. It is unbelievable the way in which they deal with people, and the amount of money lost as a result. There is no efficiency at the ticket selling end of the operation. There is no reason why there should not be one or two places where people who are ready to board a train can go and pick up a ticket in two or three minutes. As it is now, a person has to make a reservation. The ticket agent has to go behind the counter and put the application into a machine, wait for an answer, and then write a ticket. The new form of ticket which the CNR is using is almost as involved as the new income tax return.

[*Translation*]

Hon. Mr. Deschatelets: Would Senator Fournier (Madawaska-Restigouche) allow me a question?

Hon. Mr. Fournier (Madawaska-Restigouche): Yes, senator.

Hon. Mr. Deschatelets: The CNR would not now admit you on a certain train on presentation of your pass; is this new, recent, or does it go back several months?

Hon. Mr. Fournier (Madawaska-Restigouche): I rather think it started about a year ago. However, as I already said, it was possible to cheat a little because I just had to tell the ticket collector that I was going only as far as Drummondville or Charny as at that time I was entitled to a distance of 250 miles. However, that has now been changed and even if I am travelling only one mile I have to get a reservation or I don't get on; that is, besides my pass I have to have an advance reservation.

I thank you, honourable senators.

[*English*]

Hon. Sarto Fournier: On that point, I would like to have the opinion of other honourable senators from Eastern and Western Canada in order that we may be more fully informed. We have seen only one side of the coin. Maybe the honourable senator is right, maybe he is wrong: maybe he is exaggerating; maybe he is stating the position as it is. I would like to hear from someone from Nova Scotia, Manitoba and other parts of Canada. If the honourable senator is the only one to complain, I do not know what we are to do.

Hon. Mr. Choquette: Maybe it is only on the line Senator Fournier (Madawaska-Restigouche) referred to that there is difficulty. Surely opinions from all over the place would not give you the truth.

Hon. Mr. Fournier (De Lanaudière): If it is only on that line he should say so; not you but him. He is the one concerned, you are not the one concerned.

Hon. Mr. Choquette: He is telling us his experience on that line.

Hon. Mr. Fournier (De Lanaudière): We know a lot about his experience. We get sick of it.

[Hon. Mr. Fournier.]

Hon. Mr. Martin: Honourable senators, I will have this matter examined at once.

FOREIGN AFFAIRS

SUGGESTED APPEAL TO NORTH VIETNAMESE— QUESTION OF PRIVILEGE

Hon. Hazen Argue: Honourable senators, I rise on a question of privilege arising out of the widespread publicity given over the weekend to a joint statement that I understand was issued by two distinguished members of this house and two members of the other place, namely, Senator Carter and Senator Yuzyk, and Ralph Stewart, M.P. and Arnold Peters, M.P. I understand this statement had to do with the situation in Vietnam, and was comprehensive. I am wondering if one of the senators would wish to inform the Senate of the terms of the statement. Perhaps this statement by these distinguished senators, in collaboration with two M.P.s, which has received such widespread publicity, might be made part of our Senate record.

Hon. Jacques Flynn: I doubt that it is a question of privilege. I have no objection to this being done, but I doubt if it is a question of privilege. If we are to refer to everything that senators do outside the Senate and have a debate on it, you know very well what will happen.

Hon. Mr. Argue: I realize that technically perhaps this is not a question of privilege. I might have raised the matter by asking leave of the Senate. However, I think the statement is important, and it is to the credit of the Senate that certain senators have taken this initiative. I should have thought honourable senators might be interested in having it as part of our record.

• (2020)

Hon. Mr. Flynn: If the honourable senator has arranged something with Senator Carter, I have no objection to letting him speak.

Hon. Mr. Croll: You asked for it.

Hon. Chesley W. Carter: Honourable senators, this was a very brief and simple statement, made by a few of us to the press, stating that a true and lasting peace in Vietnam requires more than the cessation of bombing or a ceasefire on both sides, and that Canada is in a position and should take the lead in putting forth a positive solution from which a real and lasting peace could develop. The statement takes up only two and a half pages of double-spaced typewriting. I would be glad to read it into the record, if I have permission, or to table it and ask that it be appended to Senate *Hansard*.

Hon. Mr. Flynn: Since you are ready, we will give you leave.

Hon. Mr. Carter: With your agreement, honourable senators, the statement is as follows:

> It is evident that the resolution against American bombing of North Vietnam, recently passed by Canada's House of Commons, has received considerable public support. As Canadians, interested only in the restoration of a true and lasting peace in that strife-torn land, should we not now ask ourselves whether we have gone far enough? Having involved ourselves

publicly to this extent, should we not now go further and also make a parallel and urgent recommendation to the North Vietnamese?

Our emotions cannot help being stirred up by the suffering of all the Vietnamese people, but we must use our heads as well as our hearts and face the facts as they are.

One of the facts we must bear in mind is that as a nation Canada passed no parliamentary protest against North Vietnam last year when, at the time the Americans were in the process of a massive withdrawal of their forces, the North Vietnamese armies suddenly lunged southward with massive tank and artillery attacks on several fronts. Thousands were killed, cities were destroyed and it was this which brought on the resumption of American bombing of the North. There is, therefore, a strong possibility that without a parallel request to North Vietnam, the Canadian protest could serve only to prolong the Paris negotiations and the tragic bloodshed of that unfortunate people.

What we desire is peace—real and lasting peace—for the Vietnamese people as a whole and we must recognize that this objective cannot be accomplished by concentrating solely on one side of their present division.

We believe we are expressing the wishes of the vast majority of Canadians when we say the Canadian government should now, immediately, urge North Vietnam to accept the verdict of a future vote, to be conducted as quickly as possible by the United Nations among the people of South Vietnam to determine whether they wish to remain independent or to be taken over by North Vietnam.

We believe also that the Canadian people would like their government to rally the peace-loving nations of the world to join with Canada in an appeal to North Vietnam to accept the verdict of the majority of the South Vietnamese as expressed in a free and properly supervised vote.

What has happened in Korea is evidence of the importance and timeliness of this suggestion. The long and bloody war in Korea ended in *de facto* acceptance of the independence of each area—the acceptance of reality.

This initial step is now culminating in moves by the governments of North and South Korea to find a basis of working more closely together to their mutual advantage. If North and South Vietnam will agree to accept each other as they are now, the day can come when they can work together towards a confederation or some other form of working unity.

Fifteen years of fighting and struggle in South Vietnam is an indication that very large numbers of the South Vietnamese want to be independent of the North Vietnam government; but, whatever the situation is, in the name of humanity and for the future of mankind, Canada should appeal to North Vietnam to accept a peaceful solution. The peace-loving nations of the world must exert all the pressure they can for a peaceful and workable solution to this tragic war. Civilization cannot continue to develop unless mankind learns to develop peaceful means of solving its problems.

I would point out that this document is signed by myself, by Senator Yuzyk, by Ralph Stewart, M.P. for Cochrane and by Arnold Peters, M.P. for Timiskaming.

THE SENATE

AMPLIFICATION SYSTEM—QUESTION OF PRIVILEGE

Hon. Hartland de M. Molson: I wonder if I might rise on a question of privilege, honourable senators, to ask the Leader of the Government if he would have the Clerk of the Senate see what has happened to our sound system. I believe something very serious must have happened to it. When Senator Deschatelets spoke, we at this end of the chamber did not hear one word of what he said. The system is just not good enough. The chamber is almost incommunicado.

Some Hon. Senators: Hear, hear.

Hon. Mr. Martin: This problem has already been brought to the attention of those responsible for providing the facility.

I am sure that Senator Deschatelets would not mind my observing, however, as I am reminded by those behind me, that, when he was speaking a few moments ago, unlike Senator Molson, he did not speak right into the microphone, although he knows, of course, how to do so. That may have had some bearing on the difficulty in hearing Senator Deschatelets. Nevertheless, there is definitely something wrong with the amplification system, and I hope that the Clerk will be good enough to see that our machinations are brought up to date.

Hon. Mr. Flynn: You say "brought up to date," but the situation has gone on for at least two years. I remember that we discussed it in the Internal Economy Committee about two years ago. But apparently nothing has been done.

Hon. Mr. Molson: It is much worse.

Hon. Mr. Flynn: Yes, that is true.

Hon. Mr. Molson: Perhaps that is progress.

Hon. Mr. Flynn: If we did nothing, it could not improve.

Hon. Mr. Fournier (De Lanaudière): If I may be permitted to say so, perhaps we are thinking a little too much about machinery. I remember that when I was going to college the Senate chamber, which was the same as it is today, had no sound system and yet everyone could be understood quite clearly. The reason for that was that everyone did his utmost to make himself understood even in the farthest corners. So, obviously, we do not need a complicated sound system, provided everyone makes himself heard, including, of course, the Honourable the Speaker.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, January 11, consideration of His Excellency the Governor General's

Speech at the opening of the session, and the motion of Senator Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. M. Grattan O'Leary: Honourable senators, my first word must be for our new Speaker. Knowing well, Your Honour, that modesty is among your many endearing qualities, I hesitate to add to the eulogies which have been passed upon you during the past week. I will only say, then, that I express my confidence that you will preside over us with grace and dignity and that our trespasses against you will be met with gentle wisdom. I wish you, Madam, all the joy and glad grace that can come to you while you are with us.

• (2030)

Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: And now, honourable senators, with diminished enthusiasm I have to speak a few words about the speech delivered here last week by the Leader of the Government. He indulged again in a wish he has had for some time, that we in the Senate should go in for more investigation, that we become an investigative body, a sort of continuing royal commission on this, that or the other question that comes before the country. I beg to disagree violently with that proposition. The Senate was not set up to be an investigative body; the Senate was set up to give the legislation coming before it what is called a sober, second thought. And if ever there was a time in the history of this country, honourable senators, when this body was called upon to give sober, second thought to the sort of legislation bound to come before us from the other place in its present state, then surely this is the time.

I am not afraid of minority government. In fact, the very first time I had the honour to address this chamber, ten years ago now, I said that I was not afraid of minority government and for very good reason; minority government has formed a great part of the history of the Mother of Parliaments. In the days of Pitt and Fox and Peel and Canning and down to the days of Gladstone, British parliaments governed with minority governments. And even in the days of Mr. Asquith, in our own time, he continued to govern Britain and governed it very well, depending on 85 Irish votes to remain in office.

But what we have in this country now is not minority government in the true sense; it is merely an alliance for survival. You have two parties in the other place violently disagreeing in their philosophy, or professing to do so in days gone by; you have a group with Adam Smith in one hand and Karl Marx in the other.

Hon. Mr. Croll: Which is which?

Hon. Mr. O'Leary: You have a government seeking to hold on to office with only 32 per cent of the people of Canada behind it and with 68 per cent of the people saying they don't want it. That government now with the help of a socialist group is holding on to office, and presenting us with what they call a Speech from the Throne. I sometimes think the time has come in this country to stop calling these documents Speeches from the Throne. This is not a Speech from the Throne, honourable senators. They have no right to put in the mouth of the Sovereign the sort of nonsense we see in this Speech from the Throne, so-called. This in fact is a speech of conversion; a sort of confession, a sort of "Bless me, Father, for I have sinned." This is what the Prime Minister is saying and oddly enough—or perhaps not oddly at all—the serried ranks of Liberals behind him have been converted at the same time. Never has a conversion been so swift and so full since the reputed action of a Christian Chinese general who baptized a whole army corps with a hose. This is the sort of thing that gives rise to public cynicism; this is the sort of thing that causes the young people of this country to say that they have no faith in Parliament. No party in this country has the right to exercise the functions of government, to hold on desperately to office, when 68 per cent of the people say, "You are unfit to govern." And what are they saying now? They are saying, "Yes, it is true, we are not leading them. We are not leaders; we have become followers. What we are doing is giving the people anything they say they want."

I remember a case of an Irish politician who, at the end of an hour-long speech, said, "Gentlemen, these are my principles; but if you don't like them, I have others." The Prime Minister is worse than that. He had no principles in the first place. He called an election in this country with the fantastic and pitiful cry: "This land is strong." Had the Prime Minister listened to some of the older hands in his cabinet, two of whom sit in this chamber tonight, instead of to some of the younger chaps in the Privy Council who are politically wet behind the ears—had he listened to Senator Laing and Senator McIlraith and less to what Mr. Ivan Head wrote about him in *Foreign Affairs*—he would not have been going around the country saying "I am having a dialogue with the people."

What arrogance! Participatory democracy did not matter any more. Those people running against him did not matter; they were nobodies. "I am the state," said Louix XIV, and the Prime Minister said the same thing—"I am the state, and I will talk to the people." He discovered he was wrong and now he comes to us with this speech of confession, for that is all it is. If you look at this speech you will find it contains at least six propositions, and there may be more, which were advanced by Her Majesty's loyal Opposition over the past three years in the House of Commons, all of which he rejected. Now he has them included in his Speech from the Throne. What way is this to govern a state?

This is why I say we cannot sit here or run all over the country investigating this, that, and the other thing when legislation spawned by an alliance of that sort is coming before us. This is not a minority government. A minority government can govern as well as, and in some instances better than, a government with too much of a majority. So I repeat, this is not a minority government in the true sense of the word, and the country needs to become aware of this fact. This is an alliance for survival, an alliance in which one party, a socialist party, knows very well that if it went to the country in another election it would face extinction, while the other party, backed by 32 per cent of the people, knows it might be exterminated as well. This is the danger which exists in this country; not the danger of a minority government, but the danger of people struggling to hold office, struggling to hold on to their salaries, their jobs, and their prestige. That is all there is to it.

I say again that the Senate must give special attention to legislation framed in that way and coming before it in that manner. I cannot accept the Leader of the Government's contention that we should forget all about what is going on in the other place, and engage ourselves in royal commissions and the workings of royal commissions.

I have dealt with the Speech from the Throne. However, there are one or two other questions to which I think I should devote a few words. The Speech from the Throne is a deathbed repentance, but you cannot believe them. You cannot believe in their deathbed repentance. True repentance is genuine even on a deathbed.

The Speech from the Throne indicates they are going to take measures to provide more jobs, and that this is already taking effect. While this was being penned, figures were released which indicated that 6.8 per cent of Canada's labour force for the month of December was out of work, and that this is the highest rate for that particular month. More than that; the actual number of Canadians out of work rose in that month to 584,000—60,000 more than in the previous month and 54,000 more than a year ago.

• (2040)

How well I remember how the Leader of the Government in the old days would rise, and in a tremulous voice ask what in the name of God the government was doing about these poor unemployed. Day after day and week after week the ranks of the unemployed increase; day after day and week after week inflation inflicts a grievous injury on the people of this country. Our old age pensioners are suffering, our unemployed are suffering, our middle class people are suffering, and all those on fixed incomes are suffering, from the growth of inflation. What does the government say? "We are watching the situation; we are watching it." They have been watching for the last four years. "We are watching the situation," they say. Well, I hope to God that something will come out of that. But at least let me say this, they have been watching that situation for three months now. It is practically three months since this government held on to office, practically three months since they said they were going to do something about it, and now they say, "Oh, well, so far as unemployment and the growing cost of living is concerned we will refer it to a committee of the Senate and the House of Commons."

I ask my friend Senator Croll, who knows all about committees of the House of Commons and the Senate studying costs, what happens? He was chairman of a committee a few years ago which brought in a report and made recommendations, and what happened? My friend was chairman of the Special Senate Committee on Poverty. Senator McGrand was also a member. Surely to God we do not need another committee of the two houses to find out what everybody knows now. Everybody knows now that almost shamelessly this country, with all its resources and its few people, has more unemployed at the present time and more inflation than any civilized industrialized state. It is not any wonder that an eminent American economist, Professor Eckstein, said the other day that Canada's rate of unemployment was unbelievable and shocking, and that no civilized society in this day and age should permit the number of unemployed which we have walking our streets today.

It is all very well for us to sit here in comfort in this house; it is all very well for the members of the Cabinet to sit in comfort in the East Block, but there are tens of thousands of people in this country suffering grievous hardship. There are people in this country who are roofless, who are homeless, and who are hungry, and the government says, "Well, we are watching it, we are watching it." I submit to you, honourable senators, as one who has known hardship in his life, that this is an unacceptable position for Canada, that this should be inflicted on its people after 68 per cent of them said, "We do not want this government, we are rejecting it with all its pomp and works."

Now they talk about coalition, but this is not a coalition; this is not a minority government. This is a few people determined, come hell or high water, to hold on to their jobs, and this is the shamelessness of the whole thing. This is a reflection on our parliamentary system, and all the Prime Minister has been doing for the past few years has been going around the country saying, "I am having a dialogue with the Canadian people." What vanity, what pride, what arrogance, for one man to say, "I am talking to the people. You the Opposition do not matter, the Conservative Party does not matter, the other parties do not matter; only I matter."

That is what this man said and now, humbled and chastened, he comes to us with a confession, with a document which I still cannot bring myself to believe contains any sincerity. If there were any sincerity in that document, then in the past three months this government should have done something for our old age pensioners. Does it take three months to decide that the old age pensions are inadequate? Surely to heaven, any man in public life with the experience of the Prime Minister and his Cabinet should have known that people in this country were suffering, that aged people were suffering, that people were roofless and homeless. He sits and says, "We are watching it. In due course I will make a submission to Parliament."

Hon. Mr. Martin: May I ask my honourable friend a question?

Hon. Mr. O'Leary: Yes, indeed.

Hon. Mr. Martin: Does he think that the government would be acting in a proper, constitutional manner if it brought in legislation before it had received a vote of confidence from the House of Commons?

Hon. Mr. O'Leary: So far as I am concerned, I think the hunger of people is more important to us than the Constitution. If the Constitution permits a government to do what this government is doing, then it is certainly better that we amend that Constitution.

Hon. Mr. Martin: Then my honourable friend fails to observe what Mr. Meighen said in 1925 about the right of the government to proceed until it had received a vote of confidence and, knowing what great respect Senator O'Leary has for Mr. Meighen, I find that his statement of a few moments ago is a repudiation of what Mr. Meighen said.

Hon. Mr. O'Leary: I am not repudiating Mr. Meighen. As a matter of fact, you introduced two bills which are before us now. If you had no right to do anything before the Address in reply to the Speech from the Throne was disposed of, why did you introduce those bills?

In any event, I repeat, it is nonsense that we must always abide by the Constitution regardless of what has taken place in the meantime, and whether people are suffering. I am for the livelihood and happiness of our people. That is the main responsibility of any government. You are holding on to office with, as I said, one third of the people of Canada supporting you, and that is all; 62 per cent of the people said, "Get out." They said what Cromwell said to the Long Parliament: Gentlemen, you have sat here too long; in the name of God, go.

Hon. Mr. Forsey: Might I ask the honourable senator a question?

Hon. Mr. O'Leary: Yes, indeed.

Hon. Mr. Forsey: Where does the honourable senator get this 62 per cent? I have never seen it anywhere.

Hon. Mr. O'Leary: You have not analyzed it properly; you have to look it up to see.

Hon. Mr. Forsey: I have seen 37 per cent and 38 per cent.

Hon. Mr. O'Leary: You have not analyzed it properly. Do you make any great distinction between 32 per cent and 37 per cent? If only 37 per cent supports them, in God's name let them go anyway.

Hon. Mr. Forsey: How many supported the Conservative Party?

Hon. Mr. O'Leary: The Conservative Party was not the government. It was the government on trial; not the Conservative Party. I say again that when only 32 per cent, or 37 per cent if you want it, say, "You go on and govern," that is not enough. That is not parliamentary democracy; it is not democracy at all. Sixty-two per cent, or 60 per cent, of the people said: "Go."

Hon. Mr. Lamontagne: What about 1962?

Hon. Mr. O'Leary: What about 1962?

Hon. Mr. Lamontagne: After the election.

Hon. Mr. O'Leary: I will tell you about 1962. If we did what you are doing now, which we did not, we deserved what we got. I am not standing here as a blind apologist for any party; I do not do that, I leave that to the serried ranks over there and, as I said a moment ago—

Hon. Mr. Flynn: A young pupil behind you would like to put a question.

Hon. Mr. O'Leary: Oh, again? Yes, indeed.

Hon. Mr. Forsey: Can the honourable senator tell me how many times since 1917 a party has got over 50 per cent of the popular vote?

Hon. Mr. O'Leary: I do not think they ever got it, but they certainly got over 32 per cent.

Hon. Mr. Flynn: In 1958 certainly.

• (2050)

Hon. Mr. O'Leary: What does it matter? I am dealing with the present. I am dealing with what is happening today, and what is happening is a disgrace to the parliamentary system, and my honourable friend, Senator Eugene Forsey, knows that damn well. I do not know why in this house he has become an apologist for the party which in days gone by he has denounced as incompetent, or worse.

Hon. Mr. Flynn: He is in a different position.

Hon. Mr. O'Leary: I know. I am now coming to something else.

An Hon. Senator: What about the baby bonus?

Hon. Mr. O'Leary: I am coming to the speech made the other night by my good friend, Senator McIlraith. He is a long-time friend, and a man whose integrity I respect to the utmost. He said that we should not be afraid to discuss national unity in this Parliament. I agree with him. I think that national unity is of such vital importance in the life of this nation that we should be willing to discuss it here at any time. However, I must say that I hope Senator McIlraith was as disturbed as I was—and as I am sure a number of people were—at the speech made the other day in the other place by the Honourable Mr. Marchand.

Mr. Marchand, adopting a bit of a cry-baby attitude, said that he was prepared to leave Parliament if the subject of racism was not discontinued in the province of Quebec. I would suggest that if Mr. Marchand talks like that it would be a good thing in truth for Parliament, and for himself, if he did quit the House of Commons.

Mr. Marchand is a new boy in politics in this country. Apparently he does not know the history of Quebec. I would suggest that he look over the files of *Le Canada*, which at one time was the official organ of the Liberal Party in Quebec. Mr. Rinfret, sitting in the Cabinet, was its editor—a distinguished and eloquent man.

In that paper, issue after issue, there was racism preached, preached, preached. But more than that, does Mr. Marchand ever read the speeches of Mr. Cardin? Has he ever read the speeches of that great man, Mr. Ernest Lapointe? Let him go and read the speeches given in days past, and then for God's sake don't have the nerve to speak to me or anyone else about racism in Quebec.

I know all about racism in Quebec. In 1925 I had the experience of standing on a Gaspé platform and hearing one of the most distinguished members of the Liberal Party, the Honourable Rodolphe Lemieux, attack me as the candidate of the Protestants and the Jews. This man, able and distinguished and honoured in the Liberal Party, actually used those words in my presence. He said he regretted, knowing me so well in Ottawa, a friend of his, that he should come to Gaspé and find me the candidate of the Protestants and the Jews. Remember, this took place in Quebec again and again and again.

Hon. Mr. Flynn: Yes, it did.

Hon. Mr. O'Leary: Cardin, Lemieux and Rinfret, and even my dear old friend Chubby Power, would not let the sun go down on the wrath of conscription.

I stood on a platform in Chandler in 1925—I am sure my friend Senator Langlois knows this very well—a long time after conscription, and the Liberal Party had lined up in serried ranks about 24 old ladies, and when I rose to speak they sat there with the sticks which had been pro-

vided for them and pounded the floor, crying, "Conscription, conscription, conscription." That went on year after year. It reduced Mr. Duplessis to saying that you had to fight the devil with fire. And he was right.

I knew all of those men. Mr. Marchand perhaps does not know. He has a very famous namesake who was Prime Minister of Quebec, a very fine man. There was Marchand, Parent, Godbout, Taschereau, and so on. Those people thrived on racism in the Province of Quebec. That was their stock in trade. That was their standard pattern for the people—racism; attack the white Anglo-Saxon Protestants. It goes on even now. If you listen to the younger generation what do they say? They say, "We are being exploited, we were exploited, by the Anglo-Saxons." And who asked the Anglo-Saxons to come in there? Mr. Duplessis. They did come in on their own.

Hon. Mr. Fournier (De Lanaudière): May I be permitted to make a comment?

Hon. Mr. O'Leary: Yes, indeed.

Hon. Mr. Fournier (De Lanaudière): The honourable senator, as an historian, speaks about Marchand, Parent, Gouin, Taschereau and Godbout. Why did he forget to mention Mercier who, in 1885, became a Liberal Prime Minister of the province of Quebec on account of the Louis Riel affair, when Sir John A. Macdonald, his first leader, was in power here in Ottawa?

Hon. Mr. O'Leary: I was going to mention Mr. Mercier because I have read his speeches, and they were not all concerned with the hanging of Louis Riel. If I had been a young man then I am sure I would have wanted to have gone and fought for Louis Riel. We tried him for murder and hanged him for treason.

I know what has happened in Quebec since the hanging of Louis Riel. I know we lost the confidence of Quebec, and we have not been able to regain it. But I think the times are changing. I think the young people of Quebec, the men and women, are beginning to realize that they cannot isolate themselves from the rest of Canada.

I am not a separatist. I was born in the province of Quebec. I went to school there. I made my first Communion there. I know, and feel in my bones, that Quebec will never sever itself from the rest of Canada. But that does not make me forgive, or stop me from condemning, the sort of things that went on in the province of Quebec in all of my days and right up to the present.

The Liberal Party was the father of racism and disunity in Quebec. There is no question about it, and I can prove it to the hilt. Conscription became a blessing for them, because they could use it to vent their racism, and they did. I remember that *L'Action Catholique* in the city of Quebec damned me as an Anglophone when I was running in Gaspé.

Hon. Mr. Fournier (De Lanaudière): Would the honourable gentleman be kind enough to permit me another comment?

Hon. Mr. O'Leary: Yes, indeed.

Hon. Mr. Fournier (De Lanaudière): I will try to be as polite as possible.

Hon. Mr. Flynn: You had better do your best.

Hon. Mr. Fournier (De Lanaudière): Even if it is not my best, it will be better than yours.

Hon. Mr. Flynn: Madam Speaker, I rise on a question of privilege. I have been insulted beyond what I can be expected to accept. I have been compared with Senator Sarto Fournier.

Hon. Mr. Langlois: You may have asked for it.

Hon. Mr. Flynn: I may have asked for it, but Senator Fournier is going too far.

Hon. Mr. Fournier (De Lanaudière): Perhaps it was because I spoke in English. It may be that my English over-passed what I was thinking.

Hon. Mr. Flynn: Your silence is more eloquent than your words.

Hon. Mr. Fournier (De Lanaudière): In reply to the honourable gentleman, it is my opinion that I was quite fair. If the honourable gentleman knows anything that might disturb or destroy my reputation since the beginning of my political life in 1935, then the honourable gentleman can stand up and—how do they say it in English?—put up or shut up. The honourable gentleman said that French Canadians are the fathers of racism.

Hon. Mr. Flynn: No, no; the Liberals.

Hon. Mr. Fournier (De Lanaudière): It comes to about the same thing. In order to make the record correct since the days of Sir John A. Macdonald, Louis Riel, Borden, Meighen, and Bennett, I ask: Who in Canada today would be prepared to go back to the regime that those people gave to us. Now the honourable senator says—

• (2100)

Hon. Mr. O'Leary: Madam Speaker, I rise on a point of order—

Hon. Mr. Fournier (De Lanaudière): —the Liberals are the fathers of racism in the province of Quebec, and we have always been victims of racism.

Hon. Mr. Flynn: You were elected for years and years. Otherwise, you would not have been able to sit in the House of Commons for one day.

Hon. Mr. Croll: We came to hear Senator O'Leary.

Hon. Mr. Fournier (De Lanaudière): Put up or shut up.

Hon. Mr. Choquette: Let us hear a good speech.

Hon. Mr. O'Leary: I hesitate to join in this fight. Were it with an Irishman, I would not mind.

The Hon. the Speaker: The Honourable Senator O'Leary has the floor, and unless he wishes to permit questions he should be allowed to continue.

Hon. Mr. O'Leary: I am always glad to answer questions. I shall be delighted to answer any questions honourable senators may have.

Hon. Mr. Fournier (De Lanaudière): He is very graceful.

Hon. Mr. O'Leary: I am only too glad to answer questions, but I do not think a debate should be started to keep me in my seat. Really, this is ridiculous. I am glad I created some excitement, in any event.

When Mr. Meighen ran his last election in Canada a very respected labour leader in Quebec City said, "Mr. Meighen is elected again. Blood will run again in the streets of Quebec." He was challenged on that, and he has never denied it, and he is one of the most respected men in the history of Canada.

This is what I object to. I object to a man like Mr. Marchand, who is a bit of a political illiterate, really, standing up in the House of Commons of the Parliament of Canada and attacking the Conservative Party for racism in the province of Quebec. How did they vote? They did not vote for us. If we used racism, we certainly did not use it with any success, but because we got the majority of votes in English-speaking Canada they say this was anti-French.

I campaigned in this last election. I visited three ridings, one of which was in the province of Ontario. That riding, I am sure, would be described as White Anglo-Saxon Protestant. In a riding such as that, the first question you ask is: "What are the issues with which the people are concerned?" In reply to this question several things were stated, but not one of these people—and I doubt if there were any French Canadians living in that riding—mentioned bilingualism. Not one.

I went to a riding in one of the Maritime provinces and again I asked the question: "What are the issues which concern your people in this election?" And they cited such things as unemployment, inflation, and so forth. Not once did I hear a word or a complaint about bilingualism. I was glad of this because I had made up my mind not to get involved with that question. I supported the Official Languages Act; I supported it to the hilt. This country needed it, and I always wondered why French Canadians did not do more about it in days gone by.

I sat in the Parliamentary Press Gallery for 20 years. I sat there during the time of Sir Wilfrid Laurier, who was a glory for this country and perhaps the most distinguished French Canadian of our time, and I never heard him utter one word in the French language. In fact, when a proposition came before him for bilingual money Sir Wilfrid Laurier rose and said, "Mr. Speaker, I never knew one of my compatriots who did not know a $20 bill in English." That was the position he took.

When Mr. Ernest Lapointe came to the House of Commons he could not speak a word of English, and Mr. Jacques Bureau said to his friend, "Ernest, go to the Parliamentary Library to learn the English language, because in this house we have to communicate," and he did. He became one of the most distinguished speakers in our history.

I object to the Liberal Party going around the province of Quebec saying, "Oh, these Anglophones from Ontario, they are against us; they are against French Canadians; they are against Catholics; they are the Orange Party." Well, I am a Roman Catholic, and I have never had any trouble associating with my friends in the Orange Order. I sometimes think they are wrong, sometimes foolish, but that does not mean that they are not good citizens.

This is the trouble in this country. It is this cursed thing that has been going on in the province of Quebec over the last 40 years—racism, racism naked and unashamed; its chief protagonist the Liberal Party. That is why there was some backlash. Do not make any mistake about it, there were ridings in Canada where the people said, "Now look, we believe in the Official Languages Act, but they are going a little fast and a little far." This did exist; I am not denying it. It certainly was the case in the city of Ottawa, but in the particular riding I speak of a Liberal candidate had a majority of some 2,000, and that was changed to a 5,000 majority for the Conservative candidate who would never dare say a word against the French race.

I ask honourable senators to believe me when I say that I wish to God the Western provinces and the province of Ontario would understand Quebec better. The province of Quebec is a great asset to Canada. Ask our American friends what they think Quebec can do for Canada. Think of the great men who came out of that province. Think of the men who, with sword and crucifix in hand, went into the wilderness and sometimes left their names and their bones in what was then a land of savages.

These people illuminate our history. We should be on our knees thanking God that we have six or seven million French Canadians among us. They add a lot to this country; they are going to add more, and in the name of Heaven let us stop all this damned nonsense about racism.

Hon. Paul Desruisseaux: Honourable senators, we have just heard a wonderful speech by Senator O'Leary. No one here might believe that I agree in good part with what he said, but I cannot see everything the way he does. I should like to discuss his speech, but I feel that it would require a little more preparation. I am sure more experienced senators will also want to speak on some of the theories expounded by Senator O'Leary. However, there are a number of answers, as I see them, in my speech. I speak with sincerity, as did Senator O'Leary. I should like, for the sake of unity, to forget Canada's past, but I shall deal with that later in my speech.

[*Translation*]

Honourable senators, in this first session of the 29th Parliament of Canada I want first to thank our immediate past speaker, Senator Jean-Paul Deschatelets, for the excellent work he did during the 28th Parliament and for the moral and intellectual qualities he displayed during that time.

[*English*]

It was not an easy task to find the right Speaker to succeed Senator Deschatelets, but an able choice was found in Senator Muriel McQueen Fergusson. The choice could not have been a better one. I do not think there is a more popular senator among us, and her appointment was a break from our tradition.

• (2110)

[*Translation*]

It is a great pleasure to see Senator Paul Martin, Leader of the Government, and Senator Jacques Flynn, Leader of the Opposition, in their old jobs. The excellent role they have played all along their long and fruitful public career is an honour for us and a good sign for the present session.

Our new senators have already been welcomed. I join with you in all the nice things that have been said to them

and I note that the average age of senators has gone down substantially with the arrival of those new members.

[*English*]

To me, as to many others here I am sure, Lester B. Pearson was an extraordinary man who, as was recently stated, exercised wisdom, authority without power. While he was our Prime Minister his government managed to pass a legislative program that kept on improving our way of life, and at the same time endeavoured to give Canadians a better concept of mutual understanding, and more identity and more recognition to each of us.

By the end of his term as Prime Minister, our Canadians had a new flag of their own and, as was said so ably by Senator Hicks and other speakers, a national pension program, an assistance plan to funnel welfare money through the provinces, a sort of guaranteed annual income for old age pensioners, and collective bargaining in the federal Public Service. We were also given a unified force for our three armed services, greatly expanded external aid, and the tentative abolition of capital punishment. The foundation was laid for a bilingual Public Service, the first one since Confederation.

Mike, as his intimate friends called him, was primarily a man of peace, a citizen of the world. He was always willing to assist and work for constructive ideas for our world. Although he at one time had been tagged as Canada's colourless man of peace, he justified his existence among all of us as very few had been able to. A dedicated and public-spirited Canadian, he gave Canada a good image, and made lasting friendships for us everywhere. We shall miss him very much.

[*Translation*]

The Speech from the Throne is, I venture to say, a direct answer to the wishes expressed by the Canadian people.

Projects are laid down in general terms which are meant to take into account, in a realistic way, the present situation. On analysis, they appear nonetheless to be very important and moderate measures, constructive projects which will make possible a stepped-up economic growth, in Canada and abroad, which we now require.

[*English*]

Canada's sensitiveness to developments in world trade markets and in world monetary affairs is being recognized. The need for closer links with and outward looking towards the European Common Market is clearly outlined in the announcement of active consultations aimed at strengthening trade and other relationships between Canada and the Common Market. May I say how delighted I was recently at the news of the intended appointment of a Canadian ambassador accredited solely to the European Economic Community. There is so much to be accomplished there for Canada.

Our government indicates its desire to make all necessary efforts to settle our market and other trade problems with the United States, and to maintain and expand our trading opportunities with the Americans. Regardless of actual basic problems, American urgency may force a call at any time for a complete lifting of gas and oil import quotas. The United States is also in need of our water, all the energy it can obtain from us, and many of our natural resources. Whatever Canadian assistance will eventually be given our neighbour will provide our Western and Eastern provinces with an important and lasting economic stimulus.

The Speech from the Throne commits the government to a policy of unity and equality of opportunity for Canadians. I cannot help making a reference to some remarks expounded in the last few days about our last election. I strongly disagree with the theory of some on why the vote came out as it did in Quebec and elsewhere. My assessment is that, as Quebecers have done in previous elections, Quebecers voted as they did because the Liberal policies were appealingly in accordance with their needs, wants and hopes. They liked the Liberal candidates more than the candidates offered by the other parties. The Quebec electors relied more on them for the representations of their views in Ottawa. As a matter of fact, in this respect they did not depart much in their voting from past elections, and I find it difficult to comprehend alternate interpretations of the Quebec vote.

I fail to see why Quebec could be blamed for not voting more for other parties when they had tested assurance of continuing unity and equity of opportunities with the Liberals. To have done otherwise would have been illogical and irrational. The federal results in Quebec have nothing to do with manifestations against others. They are not the result of racial flare-ups, as some are now saying.

• (2120)

Hon. Mr. Flynn: No one has ever said that.

Hon. Mr. Desruisseaux: They do. That is what is being said and what is being feared.

Hon. Mr. Choquette: Mr. Marchand is the only one.

Hon. Mr. Desruisseaux: Mr. Marchand?

Hon. Mr. Flynn: No one ever said that.

Hon. Mr. Desruisseaux: I must say "no," but I believe there are others. So I do not know where we stand. I am not going to take issue with you. I will say only this, that you should read the papers as I do and it may be that you will find out.

Hon. Mr. Flynn: It is a question of voting. Quebecers voted Liberal. They did not vote against the Conservatives; they voted for the Liberals because they have done so for fifty years.

Hon. Mr. Desruisseaux: That what I have said is true can be proven easily by the provincial election.

Hon. Mr. Flynn: Federally, I am speaking of.

Hon. Mr. Desruisseaux: Yes, but you cannot dispose of the case the way you now do.

Hon. Mr. Flynn: Why not?

Hon. Mr. Fournier (De Lanaudière): They are recognized to vote Liberal.

Hon. Mr. Martin: Let Senator Desruisseaux make his speech.

Hon. Mr. Flynn: I have no objection.

Hon. Mr. Desruisseaux: In any democratic country there is a certain amount of racial criticism with a deep political and electoral overtone. I must say that I had heard outside

of Quebec remarks and references on French power in Canada, but to me they were made by the counterpart of the hateful extreme Quebecers saying, without the least qualification, "les maudits anglais."

I have always refused to pay racial attacks, however subtle, any attention; and any serious good Canadian, I am sure, would not care to fan racial differences amongst Canadians in these days.

There was no justification for the politically ambitious to use any such means in the hope of obtaining votes. They now find themselves on the defensive. Of this one must not be surprised. The backlash had to come. But now it is time to forget all about it.

A survey was made, I believe, by the Institute of Public Opinion some three years ago—I think I made reference to it here at that time—which survey said in short that British Columbia was 18 per cent for separatism, the Western provinces were some 11 per cent, and Ontario some 11 to 12 per cent. According to the survey, Quebec was supposed to be about 13 per cent for separatism.

I make no further comment. I simply suggest that we now drop these negative discussions and approaches to our Canadian problem. Nothing can be accomplished by expounding arguments supporting or condemning what was done. There are better, more constructive and more positive materials on which time can more effectively and more profitably be spent presently.

As a lay economist, I subscribe to the four main objectives proposed by the Liberal government: expanding job opportunities as quickly as possible to obviate the unacceptable unemployment; promoting economic growth at a rate that will sustain rising standards of living; attaining price stability, and assuring disparity of our prosperity. These are most agreeable to me, and I believe to most of my fellow Canadians. I like these proposals and I believe not too many serious economists would care to contradict them.

Honourable senators, may I say here that I hope they will receive first priority. They are so important to us at this time.

The government indicated, in the Speech from the Throne, its program to achieve these objectives immediately, by increased funding for the Local Initiatives Program and job training, by substantial seasonal capital works in co-operation with the provinces and municipalities, by funding to increase direct employment by the federal government in labour-intensive projects, and to consolidate quickly the fundamental strength of the economy by amending the tax and excise acts.

My views on tax reforms are well known here. They did not and do not differ from the recommendations of the Senate Committee on Banking, Trade and Commerce, on which I was privileged to serve for the last few years. The right approach to these revisions in taxation could be highly beneficial for the economy; but because of what was done in this field some months ago I must reserve appreciation and judgment until we receive the necessary clarifications. In any event, we should never allow again revisions that are as confusing and as indecipherable and as misleading as those faced in a rush at the end of the last session, and in many parts against the Senate-approved recommendations made by its Committee on Banking, Trade and Commerce.

Tax cuts and relief in taxation should be allowed immediately. We are well aware as to what it would mean to the Canadian economy and to employment.

The aid to small business, the expansion of the Industrial Bank, the increase of the facilities of the Export Development Corporation, and the other announced measures are constructive and commendable. In general, the wide range of beneficial measures, and the open-mindedness of the projects, pleasantly surprised me. I now hope these measures will meet with wholehearted acceptance by our elected representatives. It will help assure a faster growth of our Canadian economy, which in turn will affect employment in Canada.

Honourable senators, the five principles setting forth the government's commitment in respect of social security will lead us to an equitable guaranteed annual income, to incentives to work, to greater emphasis to get people on welfare back to work, to a fair and just relationship in the income of the people, to the recognition of the provincial status in the field of social security, to the reconsideration of Canada's social security system by the federal government and our provinces. These are all measures of major importance to Canadians. They ought, when adopted, to release us from the decennial confusion, the uncertainties, and, yes, the mess we were confronted with. It will become a pleasure to work on most of these measures with a constructive approach and a positive goal.

Honourable senators, I will not at this time give consideration to the proposed social policies. I will only say this, that I find these measures good generally and quite acceptable.

• (2130)

I would just like to note in passing that the Fitness and Amateur Sport Program could not be better timed psychologically. I can still recall the blunt remarks which Prince Philip made a few years ago with respect to the physical fitness of Canadians. He was right, of course, and his remarks served to stir up interest among Canadians at that time in participating in physical fitness programs. Now, since the Olympic Games are going to be coming to Canada in 1976, our program ought to be an all-out general campaign for better fitness of Canadians. Such an investment of energy in the fitness program would be one of the safest and best investments we could make in the future of Canada.

The Olympics comprise the most important and thorough testing of individuals in our world in terms of fitness and amateur sport. The Olympics offer to all a measurement of the ability, the capacity, the strength, the fitness and the will of the participants. No matter where the participants come from, they are all processed, if I may put it that way, through orderly, regional, national and international elimination events before they can arrive at the Olympics.

Thus, it is a great privilege for Canada to have been invited to be the host country for the Olympic Games of 1976. In addition to the honour of being chosen, there is the fact that the Olympics do reap rich economic and psychological rewards upon the host country.

[*Translation*]

The Olympics are not the exclusive property of one province or of one city, but have national and international implications, with beneficial results which are national, constructive and explicit. That is not, in my opinion, a subject for local politics, low-class demonstrations against the locations chosen for events, petty and short-sighted considerations concerning financial requirements. I do hope our country will meet the situation fittingly and display the proper spirit when negotiating its contribution. People should stop berating Mr. Drapeau. He secured the 1976 Olympic Games for Canada. He deserves to be heartily praised for his present efforts to make them a success all Canada can take pride in. We all owe it to ourselves, as Canadians, to bring him the assistance and support required for implementation of the first-class agencies required in order to organize and put on the games, instead of making joint efforts to destroy him and destroy what he obtained on our behalf.

[*English*]

The Throne Speech says that:

> The growing complexity of our society calls for increasing co-ordination of federal and provincial government programs.

It may be that this is a departure, long overdue, from the confused and often quarrelsome situation that has existed between the federal and provincial governments for so many years. The proposal to co-ordinate the programs of all levels of government is a major step toward overcoming past difficulties. In other words, we are finally putting our Canadian house in order and are beginning to reach joint decisions on how certain jobs should be handled and accomplished in accordance with the Constitution when there is any question of duplication of powers. This new pattern of relations is most important and will have far-reaching consequences in that it will create far greater unity in Canada vis-à-vis provincial relations.

I note with personal satisfaction that sincere steps have been taken towards harmonizing the goals, policies and programs of both federal and provincial governments, particularly in fields where the responsibilities of both levels of government are mixed. Hopefully, this could be the ray of sunshine that will dispel the fog that has kept us in the dark and in utter confusion in the past.

The special joint conference involving the economic opportunities of our Western provinces is, as it was said in the Speech, "a unique venture" and another first. It offers wonderful historical possibilities for future patterns of federal-provincial relations. Again this would be another welcome departure from past federal-provincial relations.

If the government widens the area of service to Canada open to personnel in the Canadian Armed Forces, as it intends to, in my opinion, this will prove to be a real opportunity for developing self-discipline and expanding the abilities of young Canadians through training and refining their skills. I believe this is the first serious attempt in a long time to get the youth of Canada to improve their fitness and personal discipline.

Looking over the projected programming of the session, as set out in the Throne Speech, I feel I can only give it my concurrence. In my opinion, the program offers Canadians hope for the future, a positive and constructive outlook, and rare opportunities. Just thinking out loud, I wish this Speech could have been made at the opening of the last session of the Twenty-eighth Parliament of Canada in 1972.

With these remarks, honourable senators, I support the motion made for the acceptance of the Throne Speech. Thank you.

Hon. Sidney L. Buckwold: Honourable senators, my first duty is to follow the precedent of earlier senators who spoke in the debate and express my congratulations to our distinguished Speaker. Owing to the lateness of the hour perhaps I will not wax eloquent. I did note that Oliver Wendell Holmes said that, "Man has his will, but woman has her way," and I would guess that he had anticipated Senator Fergusson being in the Senate Speaker's Chair. There is another popular aphorism which states that "Women need no eulogy. They speak for themselves." I would guess that as Speaker, Your Honour, you will not only be speaking for yourself but you will be speaking for all honourable senators who are here and who are very pleased to have you as Speaker.

Hon. Senators: Hear, hear.

Hon. Mr. Buckwold: I am particularly pleased to welcome the new senators, all of whom bring distinguished records to the Senate. We are looking forward to their contribution and to their leadership. Certainly, many of them are experienced parliamentarians; others are perhaps neophytes like myself, but it is amazing how quickly one learns, as you will probably find out in due course.

I congratulate the mover of the motion, Senator Hicks, who was distinguished as a legislator in Nova Scotia and certainly as a leader in the field of education. His was a most brilliant speech leading off the debate, and it has given us much food for thought. Of course, to Senator Lafond I also add my word of congratulations for his contribution. Our leaders, Senator Flynn and Senator Martin—and I am not at all sure that I have the order of precedence right—are very much honoured by all of us, and we are looking forward with great expectation to the session now beginning.

• (2140)

Although I had not intended to make this part of my remarks, I could not very well sit idly by and listen to Senator O'Leary and what he had to say without in some way responding to his allegations, statements, confessions, claims, and the usual outbursts against the Government of Canada. I do so, of course, as a very humble supporter of Senator O'Leary, whom I have had the privilege of hearing on many occasions and whom I have always respected for his individuality and for his qualities as a great speaker. But I must say, with all due respect to my distinguished colleague, that I was disappointed tonight in Senator O'Leary; I do not think that his contribution tonight is one of his great speeches from which Canada will benefit. I would accuse Senator O'Leary tonight of compounding, if you wish to put it that way, the whole racial feeling which he accused the Honourable Mr. Marchand in the other place of talking about. I am not saying that Mr. Marchand was right, but I will say this to

the honourable senator, that to go back and stir up old dead ashes, as he has done, has not, in my opinion, enhanced his reputation as a Canadian interested in Canadian unity, and I say that with all respect for a man who has won the admiration of so many millions of Canadians.

When he got into his diatribe on the government, it was almost unbelievable, castigating it and calling it an alliance for survival. I don't know what he would have said if by some chance, as could easily have been the case, the Prime Minister of Canada had said, "No, I don't want the burdens of office." What would a Conservative government, a Tory government, have done in those circumstances? They would have got into bed with the same partners; they would have catered to them, eased up to them and made deals with them, in the same manner as those whom the honourable senator accuses of sharing in an alliance for power in the other place.

Honourable senators, we are now in a minority government situation, and there is no doubt that when you have a minority government you must have the kind of political alliance that will lead to good government. I should like to remind Senator O'Leary, and perhaps I should include the Leader of the Opposition in this, that it is not just an alliance for survival; that in fact we have a government that is prepared to govern, a government that has been given a mandate with a larger vote than that given to any other party, notwithstanding the fact that it was not a majority. But the fact remains that they have a majority of members, and I think the people of Canada expect them to govern until they can no longer do so. I think the step they have taken is a responsible one, and I refuse to accept the protestations of Senator O'Leary, especially when we see his party, the Progressive Conservatives, panting for power, having what I would call a pathological itch for power to the extent that they just cannot keep themselves from scratching as they move along the political highway. In fact they simply cannot wait to get their hands on power. Indeed, the time may come—but I would not be too sure—

Hon. Mr. Asselin: We have waited a long time.

Hon. Mr. Buckwold: Well, every now and then you get your turn to swing.

Hon. Mr. Flynn: You say "every now and then," but you are so used to it that you cannot give it up.

Hon. Mr. Buckwold: Just keep going and keep hoping! I am sorry my friend Senator Forsey is not here, because I remember when I went to the university of which he was a member of the staff, McGill, we had a wonderful French professor, Dr. Villard. I must say I do not remember much of the language he taught us, but I always remember a reader we had in those days—conversational French was not quite so important—and I shall never forget a story in that reader called *La torture de l'espérance.* It was a story about the worst torture of all, the torture of hope. It was the story of a prison where the guards thought they would inflict the ultimate torture on an unfortunate prisoner, and so they leave his cell door open. He gets himself out of his cell and much to his surprise he finds the next door open also. So he begins to hope that he will make his escape. He goes on from one point to the next, but all the while the guards are watching him as he builds up his hopes, and of course at the very last moment when he sees freedom within his grasp, and when he sees the light beyond the wall, they pounce on him. I should like to suggest, honourable senators, that that is probably the worst form of torture. I mention it in the hope that my distinguished friends in the Opposition would keep it in mind so that they may not anticipate too much.

Hon. Mr. Flynn: It works in reverse, and I can assure my friend that I am not tortured at all.

Hon. Mr. Buckwold: Perhaps I might also mention that Senator O'Leary and his presentation reminds me somewhat of the story of the minister whose notes for a sermon were found by the deacon. Certain passages were underlined and in the margin was a little note which said, "Argument weak—talk loud and pound on the desk." I have a feeling that that is what we experienced tonight.

There was mention of unemployment; certainly we are concerned about unemployment. I am astounded to hear the learned gentleman talking of unemployment when he knows the record of the government in providing employment and the creation of 200,000 new jobs this year. Let us look at the positive side. I would suggest that the record of the present government in this field is a very good one indeed when compared with the record of the previous Conservative government back in the early sixties when unemployment was a disaster, and the situation was much worse than it is at the present time. I just draw these things to the attention of honourable senators so that they can look at them in perspective rather than just the distorted view that has been given to us so volubly and so vocally by the able senator.

Honourable senators, with your permission I should like tonight to spend a few minutes in dealing with the Throne Speech and particularly with the item in it which was of most interest to Western senators. I am sure that Senator Manning, Senator Cameron and others representing the Western provinces will be talking on this subject.

• (2150)

I am proud that our Prime Minister has recognized that there were errors of omission in the past. There is nothing wrong with that, Senator O'Leary. There is nothing wrong with finding out where you have been wrong. Perhaps that has been the weakness of the Tory Party for the last many generations—they never would admit that they were wrong. I am proud to have a Prime Minister who says, "We made mistakes." He admits it publicly: we did not have a program that in all ways met the needs of Canada. But I can assure you that he still had the majority of votes in Canada. He is prepared now to modify this program. He made a start in Western Canada by doing something which no Prime Minister has ever done before. He came out and supported the Honourable Otto Lang in bringing forward a two-price system, something which every farm organization, every agricultural leader and every citizen of Saskatchewan has been after for 20 or 25 years. His was the government that did it. Then they turned around and spent over $40 million on grain hopper cars, one of the first indications of a real Treasury support for the hard-pressed farmers of the Prairie provinces. You may say that this was not effective, and perhaps it was not. But I can tell you one thing, it brought the member in the other place, the Honourable

Otto Lang, back to Parliament with a majority which was increased from 800 votes to 8,000 votes, and it was against the same Opposition, the same people of the other parties. That is the kind of support that was engendered because he was able to tell the people of the government's program, and this is gradually infiltrating through the Prairie provinces. I would like to suggest that we will see the results of this accumulation of support for a government which cares about farmers as we get into forthcoming federal elections. We were delighted, all western senators, to see that there will be meetings with the governments of British Columbia, Alberta, Saskatchewan, and Manitoba asking that they join with the federal government in the convening of a conference on western economic opportunities. Such a conference would be a unique venture in the history of federal-provincial relations. It could be jointly planned and held in the West during the course of the summer. Its purpose would be to explore potentials for economic and social development and specifically to consider concrete programs for stimulating and broadening the economic and industrial base of Western Canada. They go on to say that a second important subject—and I am sure other senators will speak on this—will be improvements in the total transportation system, so basic to overcoming the problems of distance in that region from other parts of Canada and from ocean ports, and the development of our northern frontier. Honourable senators, regardless of your political affiliation, I would think this is a very important step forward.

Many people are unable to recognize why Western Canada is disenchanted. I can only speak of Saskatchewan, and I will leave it to senators from other Western provinces to state their point of view. But, traditionally, Saskatchewan, an agricultural province, has not been a supporter of federal policies, whatever the government. We have the history of a rich area of the country, very rapidly developed, moving into a fairly large population in a short period of time, based on the instability of an agricultural economy. Our farmers, our townspeople, our business people and professionals, had engrained in them a deep-rooted suspicion of the railroads and the freight rates they were charging, of some of the financial institutions for their activities, of the tariff policies of the federal government, and the result has been generally a very strange reaction not only in Saskatchewan but in most of the Prairie provinces. And politically the agricultural base of the Saskatchewan economy has greatly influenced voter support. There has been stability in the provincial field. Generally speaking, provincial governments last a long time. In the province of Saskatchewan there have been only five governments turned out of office in the 67 years of the province's history. The reason is that the voters feel that provincial governments will respond to the needs of the people, but the federal power has never really been accepted by those who live in Saskatchewan. This is indicated by the fact that in 1925 Saskatchewan elected 15 Progressives and one Liberal. In 1935 they elected 16 Liberals—the voters swung around—out of 21 members. In 1945 out of 21 members they elected 18 CCFers. In 1958 they moved almost completely Conservative, thanks to the brilliant leadership of the Honourable John Diefenbaker—

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Buckwold: You can say "Hear, hear" because John Diefenbaker is a great Saskatchewan citizen and a great Canadian. We all recognize that. He has made, perhaps, only one political error in his life. Through some unknown factor, he joined the Tory Party. The fact is that John Diefenbaker was never a Conservative. He was a Progressive, and it may be that as a Progressive Conservative he found his niche. John Diefenbaker won the support and admiration—and still has it—of Western Canadians, Prairie Canadians, because he was a Prairie radical all the way. I suppose one of the problems he had as Prime Minister was the fact that he, too, had this innate or inborn suspicion of Bay Street and eastern interests, and railroads. Later he used to go back to Saskatchewan to hear their point of view before he made a decision. We still to this day are great admirers of this wonderful Canadian leader.

This is the history of Saskatchewan politics and there must be a reason for it. I am proud that the Trudeau administration, as illustrated in the Throne Speech, is prepared to look into the matter in detail with provincial premiers, every one of which is not a supporter of his political party.

Honourable senators, the economic problems are very real indeed. It comes as a surprise to most Canadians to learn that in 1936 Saskatchewan was the third largest province in terms of population in the Dominion of Canada. There was Ontario, there was Quebec, and there was Saskatchewan. The census of 1936 indicated that Saskatchewan had 931,000 people. Here we are, some 37 years later, and Saskatchewan has 926,242 people instead of 931,000. In that period of time the population of Canada doubled. If you look at the statistics, you can see that we are the only province during that period of time which has dropped in population. Even the Maritimes have continued to grow over those years although not as rapidly as some of the other provinces.

• (2200)

Now, there must be a reason for this and, of course, it is obvious. We have had a decline in population until we are in the position of being one of the "have not" provinces, although we are rich in resources, because of our agricultural base. To meet the changing competitive position of the products they produce, and by involving themselves with technological improvements, the farms have grown larger and larger. The units are larger, and we have many less farms. We see a complete change in the agricultural pattern, which has meant fewer people, and smaller towns. Communities have lost their lifeblood, and are disintegrating. The people of Saskatchewan face a major problem if they are to continue to keep pace with the rest of Canada. That is the type of problem which I hope the Prime Minister will discuss with our premier and other Western premiers in an attempt to find a solution.

It is a very serious situation. It is impossible for a decreasing population such as we have—and we hear predictions that in 20 years we might be down to 750,000—for this relatively small population to support the level of services that we have learned to enjoy, such as good universities, good highways, good public services, good administration, good health care, and good hospital care.

These are the things that I am sure we are all very proud that the Government of Canada is finally looking into.

We have a problem with transportation, but the hour is probably too late to discuss freight rates. There are, however, spectacular illustrations of the difficulties faced by Saskatchewan in moving merchandise to and from the market that result from the non-competitive position of being geographically a disaster in so far as freight rates are concerned. We are not able to benefit from water competition; we are not able to benefit to any extent from American road competition; we are not able to benefit to a great degree from highway competition. So, quite frankly, we have always considered ourselves to be in the hands of the railroads. They have co-operated, I am sure, on many occasions, but there is still a long, long way to go. I have information here which I have been able to gather from a variety of briefs from the Manitoba, Saskatchewan and Alberta governments concerning freight rates. I could cite such examples as that of shipping a carload of nails from Hamilton to Vancouver via Saskatoon, where the rate would be cheaper than that for dropping that shipment off in Saskatoon, although Vancouver is a thousand miles farther.

This is the type of problem which bothers us in Saskatchewan and worries the people of the Prairie provinces, who feel that while they are making a significant contribution to the economy and well-being of the country they are short-changed as a result of these barriers which are raised.

We have the problem of the Hudson Bay route of Churchill. You know, you have to live in Western Canada and Saskatchewan to know how important Churchill is to us, yet it is very much neglected by the federal government. New construction is needed there. I should like to quote from a report by Mr. Willis A. Richford, president of the Hudson Bay Route Association:

> The men whose representations must be given great weight because they have the responsibility of operating the Port of Churchill stressed that an extensive program of modern dredging, improvement of Port facilities is an immediate necessity, if the Port is to avoid further deterioration and to meet modern requirements, and to ensure that it has a future.

Do you know, our farmers get 12 cents a bushel extra for their grain if it is shipped through Churchill to Great Britain. In 1970, 23 million bushels of grain was shipped through there. Last year it is listed at a little over 16 million bushels. There should be 25, 30, 40, or 50 million bushels going through that port, and we should have better freight rates getting to it and from it on the railroads. This is the kind of matter that is an irritation to the people of Western Canada.

I could go on and discuss problems of our economic base. We must have a secondary industrial base. There is just no doubt about it, if we are to employ the people who are being raised in the area. Alberta has been blessed by natural resources in the north country, which have given them a shot in the arm, and a base that has meant prosperity and development in that province under the very able leadership of a former premier, Senator Manning.

[Hon. Mr. Buckwold.]

Saskatchewan, however, is finding it is unable even to process its natural resources. We are, so to speak, just the hewers of wood, and we ship our cattle, rapeseed, and so forth elsewhere.

We have a case right now before the Canadian Transport Commission respecting the freight rate on rapeseed as against that on rapeseed oil or rapeseed meal. You know, it is so discriminatory. The grain can be shipped under special Crowsnest Pass statutory regulations at a very low rate, but if the oil is taken out of that grain and it is processed in Saskatchewan in plants which are already there, and which could expand to provide employment, it becomes noncompetitive because of the higher freight rates on the manufactured product. Again I say to you, honourable senators, these are the problems which concern Western Canada and Saskatchewan.

Perhaps the hour is too late to carry on much further. We are concerned about the lack of federal spending in the province of Saskatchewan. I am about to astound you with a few statistics. This is the spending of the federal Department of Public Works in various provinces. Newfoundland in the year 1971-72, had a per capita federal public works expenditure of $15.22; Nova Scotia, $12.36; New Brunswick, $12.08; Prince Edward Island, $18.32; Quebec, $12.45; Ontario, $21.86; and Manitoba, which does quite well, $15.16. We then come to Saskatchewan, with $4.57 per capita as against, say, Ontario, with $21.86. Is there any wonder that we are concerned when, in fact, federal money expended on public works is not coming into the province of Saskatchewan, not that we want unnecessary projects.

Alberta is not treated that much better. It gets $8.68, which is still almost double that of Saskatchewan. British Columbia gets $9.30; but Saskatchewan, imagine, gets $4.57. That is not unique for this year. If we consider the historic expenditures of the Department of Public Works the problem will become apparent. I say it is a shame that the federal government has seen so little of the need of the province of Saskatchewan for federal expenditures in this regard. We can say the same of military spending.

We have the social problem of Indians, which I will leave for someone else to speak on, but it is a major and significant problem that we in Saskatchewan are facing. We need help with it, because it is something which will be of major concern to all Canadians.

Honourable senators, due to the lateness of the hour I will cut this a little shorter than I had intended. There are many other points that I wished to raise, but which I am sure will be raised by other Western senators. I want to conclude by saying that Saskatchewan has no desire to be the richest part of Canada. We will never be a heavily populated part of the country, but we have clean air, wide vistas, rich resources, and wonderful people—people who are good, hard-working, always optimistic Canadian citizens. In the consultations announced in the Throne

Speech on the problems that concern us, we think that the special aspirations and concerns of Saskatchewan and all the Western provinces can be discussed. The problems may not be solved. It will take more than discussion to solve them, but it is to be hoped that steps can be taken to ameliorate them. We are looking forward with confidence to those meetings, in the hope that Saskatchewan, Alberta, Manitoba and British Columbia will become stronger and play a more significant part of this Dominion of Canada.

• (2210)

On motion of Senator Cameron, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

25862—5½

THE SENATE

Wesnesday, January 17, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Ordinances, chapters 14, 17 and 22, passed by the Council of the Yukon Territory at its 1972 Second Session, pursuant to section 20(1) of the Yukon Act, chapter Y-2, R.S.C., 1970, together with copy of Order in Council P.C. 1973-83, dated January 9, 1973, approving same. (English text).

STANDING RULES AND ORDERS

COMMITTEE OF SELECTION—QUESTION

Hon. Hartland de M. Molson: Honourable senators, I am not sure whether this is a question or not, but I should like to ask the Leader of the Government whether he is aware that an error was made in the setting up of the Committee of Selection on January 4. There are eleven names listed. Rule 66(1) states:

> At the commencement of each session a committee of selection consisting of nine senators named by the Senate shall be appointed whose duty it shall be to nominate the senators to serve on the several standing committees.

I feel there is probably the necessity of a motion or some other action in order to make it proper and in conformity with our rules. The error probably arises out of the assumption that the two leaders are *ex officio* members of this committee. The rule is that the two leaders are *ex officio* members of all standing committees, but the Committee of Selection is a special committee, not a standing committee.

Hon. Mr. Martin: Senator Molson was kind enough to give me notice of this. I am going to ask Senator Langlois, who has been dealing with this matter, to reply. I am sure that if Senator Molson is correct, the Leader of the Opposition and I would be personally grieved if we were not—

Hon. Mr. Flynn: Included.

Hon. Mr. Martin: —members of that committee.

Hon. Mr. Langlois: Honourable senators, I too have had notice of Senator Molson's remarks today, and I have had an opportunity to look into this matter. Apparently it is not a mistake. It has been the practice to have a motion of that kind with the same number of senators to sit on the Committee of Selection. The misunderstanding arises, apparently, from the fact that under rule 67 the Committee of Selection is not listed as a standing committee. However, I am informed by the legal advisers to the Senate that the Committee of Selection is, in fact, a standing committee.

• (1410)

The Leaders of the Opposition and of the Government in this place are entitled to sit as *ex officio* members on any standing committee. Of course, when the committee sits, these two honourable gentlemen will be listed as members *ex officio*, and following their name will be an asterisk indicating that they are sitting on the committee as members *ex officio*. However, that can scarcely be put into a motion. I am informed it is the way this has been done for a number of years, and there is no real infringement of the rules. It might be advisable at some future date for the Rules Committee to investigate the amending of rule 67 to add the name of the Committee of Selection to the list of standing committees.

Hon. Mr. Molson: I am grateful for that explanation. If this committee is in fact a standing committee, undoubtedly rule 67 should be changed, because at the moment the Committee of Selection is not listed as a standing committee. Rule 67 states, "The standing committees shall be as follows," and does not include that committee. I accept without question the legal advice of which we have been informed, and I think this should be regularized as soon as we can do so in order that we do not run into another unimportant difference such as this.

May I, honourable senators, ask leave in this connection to call your attention to the fact that you have just received a revised book of the Rules of the Senate, which has been brought right up to date to January, 1973. It incorporates all the amendments that have been made effective since the last book of rules was published, in 1969. I think it is now in as good form, with the exception of the difference we have just found, as it can be.

Hon. Mr. Langlois: If I may be permitted, I think I should add to my remarks a reference to rule 5(s), where standing committees are defined. It says:

> "standing committee" means a select committee appointed to consider and to report thereon to the Senate matters falling within the duties specifically assigned to it by these rules, and on other matters that may from time to time be referred to it by the Senate.

This definition amply covers the Selection Committee, and it is under this rule that the Selection Committee must be considered as a standing committee, even though it is not listed in rule 67 among the other standing committees.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—CORRECTION OF STATEMENT

Hon. Sidney L. Buckwold: Honourable senators, I wonder if I might be given permission to put on the record a slight correction to the number of bushels of grain shipped through Churchill which I quoted in my speech last night. I have been corrected, quite rightly, by the most knowledgeable man on this matter in this chamber, namely, Senator McNamara. The figures I quoted in fact represented wheat shipments. There were additional grains shipped. I quoted 16.3 million bushels of wheat. To that should be added 0.1 million bushels of oats and 8.9

million bushels of barley, making a total shipment through the port of Churchill of 25.3 million bushels of grain, as against the 16.3 million bushels to which I referred.

Hon. Mr. Flynn: Is that all you want to correct in your speech?

Hon. Mr. Buckwold: I asked for that. However, if the Leader of the Opposition would like me to continue, I have many more things I would like to say.

Hon. Mr. Flynn: I do not want to push you. I am taking into consideration the wish of the house.

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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. Donald Cameron: Honourable senators, my first duty, in making my first speech in this session of Parliament, will be to join with those of my colleagues who have preceded me, in congratulating our friend and colleague of many years on her elevation to the presidency of this chamber. I am sure that we are all delighted with the selection. We know that she will preside over the chamber with grace and dignity and fairness, and that in another important area, when we have visitors coming to this country whom the Speaker has a responsibility to entertain, she will receive them with that peculiar grace and dignity which is characteristic of our Speaker.

Hon. Senators: Hear, hear.

Hon. Mr. Cameron: May I also join in welcoming those new senators who have come to the chamber since we met last, in the summer, and say I am sure they will have a great deal to contribute to the discussions here. May I also join with others in congratulating the mover of the motion for an Address, Senator Hicks, and the seconder, Senator Lafond, on the excellent contributions they made.

Honourable senators, I am encouraged on seeing that, in the Speech from the Throne, the government has set a number of goals and priorities and has submitted a program of measures which will contribute to the development of a coherent set of industrial policies for Canada. I, frankly, like that Speech from the Throne—even if it may represent some pirating from my friends across the way. After all, this is good politics.

Hon. Mr. Choquette: We are independents, you know. Do not forget that.

Hon. Mr. Cameron: It is the kind of Speech from the Throne, it is the kind of agenda, that I would like to have seen three or four months ago.

Hon. Mr. Flynn: Three or four years ago.

Hon. Mr. Cameron: What has puzzled me is that in the short time after the election we could come out with this kind of a program, one which I know will meet the needs of thousands of people, and why this could not have been done before. I wish that the Prime Minister and his advisers, whoever they may have been, could have been with me on a number of occasions, in supermarkets, at some farm meetings, and just on the street, to hear the reactions and to hear the talk of people who heard the slogan "This Land is Strong." Some of those reactions were so unparliamentary that one could not put them on the record here. I am sure that if this kind of program had been discussed at that time, they would have been much happier. So much by the way.

I believe all Canadians will agree with the two major goals of the Throne Speech program, namely, national unity and equality of opportunity. I wish to say something about national unity a little later on in this speech. Likewise, everyone will agree with the objectives of an economic policy to reduce unemployment, to contain inflation, to strengthen the economy generally. There will also be general agreement on social policy to bring about, in consultation with the provinces, a reorganization of existing social security programs. It is to be hoped that the practical steps necessary to implement these ideas will be brought into legislation in the near future.

Under the program to attain these economic objectives, emphasis has been placed on measures to provide more jobs now, by strengthening and broadening existing programs. For example, the proposals include increasing the funding for LIP, the Local Initiatives Programs; increased funding for job training; substantial capital works programs to be undertaken in co-operation with the provinces and municipalities; and special funding by the federal government to increase the employment in labour-intensive projects.

• (1420)

Those are all desirable programs, but I would just like to comment on one: LIP. While I think it has been useful in providing a number of jobs in the past two years, nevertheless, it is in the nature of a palliative and does not come to grips with the fundamental problem of a permanent program of jobs for the Canadian work force. It has elements in it that should be continued, in my opinion, but we must have something on a much more permanent basis than that. Many of the projects are in the nature of patchwork programs and some of them are of questionable value. I would have much more hope for the capital works programs developed in co-operation with the provinces, and I hope an organized and sustained program of home building will find a place in this national employment program.

There is no area of the economy that provides more jobs and distributes employment more widely than a program of construction in the house-building industry, and heaven only knows we need to do a great deal in this respect.

While it may be the government's intention to elaborate in some detail on a program for home building, there is no indication of it in the Throne Speech; and that is quite natural because it may be the intention to develop this in more detail when the budgetary measures are brought down. I should like to emphasize, however, that this is one of the most productive as well as the most needed programs in Canada at this time. I feel it would be much more successful in providing a stimulus to the whole

economy than some of the local initiatives programs, good as they may be.

Another area of importance is the revision of the General Adjustment Assistance Plan to enable industry to take advantage of opportunities for increasing foreign trade. With Britain's entry into the European Common Market there is a danger that some $700 million worth of Canadian exports may be adversely affected. I do not by any means think we are going to lose all of those exports, but at the same time we are not in as favoured a position as we were prior to Britain's entry into the EEC. On the other hand, if, as we hope, Britain's entry into the EEC provides over the years a larger market and results in an improvement in the economy of the U.K., that will be all to the good so far as the export of Canadian goods is concerned. We should seize upon every opportunity to adjust our thinking to get into this market.

I have no doubt that there is an opportunity for further Canadian exports among the other members of the European Economic Community itself, but we should not be content with looking at only the EEC; we should have the representatives of our Department of Industry, Trade and Commerce as well as private business representatives and industrial organizations explore every possible opportunity throughout the entire world.

Recently, a delegation of Canadian parliamentarians visited Cuba. The Cubans pointed out that Canada enjoyed a substantial balance of trade with Cuba in Canada's favour, but that if Canada could take Cuban sugar rather than South African sugar the Cubans would buy a greal deal more from Canada than they do at the present time. In other words, Cuba is right on our doorstep and there are opportunities for expanding our markets there. Perhaps we should take a hard look at that situation. The same is true with respect to South America, southeastern Europe, Austria, Hungary, Bulgaria, Romania, and Yugoslavia. These countries represent a developing market, and we should miss no opportunity to expand our trading patterns throughout the world.

Another element in this development is aid to small businesses through new initiatives to strengthen management and consultant services and to improve access to financial facilities. This is an area of major importance because if we are to increase the number of jobs in this country, and do it on a permanent basis, we must create a climate in which small business will thrive. If small business is to thrive there must be a concerted attempt to upgrade the quality of management in these businesses, and so far all too few of these people have been able to take advantage of management training programs available at the present time. Relatively few men from small businesses attend the advanced management courses offered by such schools as Western, Queen's, Toronto, Banff and others. At least some three or four years ago the Department of Industry, Trade and Commerce undertook to provide a program of training for small businesses by sending teams of people out to conduct a series of lectures in the smaller communities. In my judgment this program has not achieved the purpose for which it was designed, and much more value could have been obtained from a similar expenditure of funds by bringing people together in residential surroundings where they would have the benefit of a concentrated program under top-flight leadership and where they would have ample opportunity for that very important element in any program of education for adults—the opportunity to exchange ideas among themselves.

One of the difficulties the owner or the operator of a small business with, say, from 15 to 50 employees has to face is that because the management is provided by the owner himself it is difficult for him to get away from home. This was the advantage of the former program whereby teams of instructors went into smaller communities. However, the weakness of that program to which I have referred was that too many of the people offering the training were altogether too limited in business management experience and training themselves, and furthermore the courses were of a sporadic nature and did not provide a milieu from which the maximum benefits could be obtained.

So, for this program for providing training and management development for small businesses to succeed, provision should be made to utilize the facilities of existing institutions by making some arrangement whereby the leadership of the small business can get away to take a course which should certainly not be less than two weeks of concentrated effort, and possibly three, with further refresher courses from time to time. The kind of assistance they might require would be the provision of funds to enable them to bring in temporary management while they are away in those cases where other members of the business or other members of the family could not take over, and in my judgment money spent in this fashion would be money well spent.

While on the subject of management development, I should just like to comment that in recent weeks and months there has been a growing chorus of criticism of the way government programs have been administered. Probably the latest and the most spectacular was the administration of the unemployment insurance fund. Here we have an excellent act whose value has been negated in some cases by the wrong kind of administration. I could name numerous other instances both in provincial and federal fields. For example DEVCO in Nova Scotia leaves a good deal to be desired in the way they treat their employees. I will go further and say the reason you hear so much criticism of government today is because of the quality of administration. We have many very good acts which are, in effect, being administered in such a manner as to create injustices and grave inequities. This suggests to me that the training of civil servants at the senior administrative levels leaves a good deal to be desired. It is true that the Public Service today is sending a number of men and women every year to management development programs at Toronto, at Western, at Banff and other places, but the numbers being affected by this kind of training are a mere drop in the bucket. It seems to me that if we are to develop in the Public Service the kind of efficiency that is needed we need to go much further in requiring that people who are in administrative positions from the middle management level and upwards must, as part of their job specifications, and part of their job requirements, be required to have taken management training programs somewhere of first-class standard.

• (1430)

I know the Public Service has a number of courses for public servants and these are confined to in-house representatives. Such programs are only a beginning. They provide a reasonable opportunity for selecting people who should go on to more advanced management training. Do not misunderstand me, I think that the in-house programs being conducted for civil servants are good. They are a step in the right direction, but they are only a beginning.

I want to emphasize that it is very important that people with managerial responsibilities in the Public Service benefit greatly by sitting around the same conference tables with those from the private sector. Such a common experience between public employees and private employees has a good effect on both because they each come to realize that they may be required to do the same kind of job, but under a completely different set of rules and regulations.

I would venture a prediction that if proper management training techniques were applied to all of those people with managerial responsibilities in the Public Service, from the middle management level and up, we could reduce the number of employees in the Public Service by a minimum of 10 per cent. And the savings in this way by upgrading the quality of personnel in the Public Service would more than pay the cost of training many times over, and the public would get a much more efficient service.

One has only to look at the mess in the Canadian Post Office to realize the kind of situation which has been allowed to develop over the years. Let me interject here. I have been negotiating for some time with some immigrants who wanted to come to Canada from Russia, sponsored by a family in this country. I wrote to the Honourable Mr. Andras early in December. He replied to me on December 22. I received his letter, which was urgent, on January 15. It took the minister's letter 24 days to come four blocks. Now, you can say this is an isolated instance, but it is not. It is happening all the time. Today there is a wildcat strike in Toronto, and the Post Office is closed. There is another one somewhere else. I wonder how long it can go on. Fortunately, the postal employees had more sense than their union leaders, when they voted against going on strike recently. I hope they stay with it because I can assure these same postal union leaders that the Canadian public is in no mood to tolerate further strikes in the postal service.

Again, on the question of collective bargaining, the Prime Minister has given as an excuse for not intervening in some of the disputes that we have had with the Post Office, with the airlines, and with the dockworkers and others, that he felt the collective bargaining process should be allowed to run its course. In looking at the long, drawn-out negotiations which have gone on from three or four months to as much as 15 and 18 months, one cannot blame the employees for becoming fed up with the denial of settlement for such long periods of time.

I believe that the Treasury Board is the agency which has the responsibility of conducting the collective bargaining processes with the civil servants, or some of it at any rate. And while I do not want to reflect on any individual, it seems to me that surely there could be a more speedy settlement of disputes in the federal Public Service than has been the case over the last few years. As a matter of fact, I wonder whether or not the Treasury Board is the proper agency to have the responsibility for settling these disputes. Why could this not be transferred to an agency independent of the government entirely? I am sure it would be a relief that the President of the Treasury Board would welcome because he is the man in the middle and, as a result, he has to take abuse from both sides. I would like to see this matter of an independent agency for settling all disputes in the Public Service established at the earliest possible date.

Decentralization of DREE: Another important item in the Speech from the Throne was the measure to reduce regional economic disparities, with the DREE program to be decentralized to better identify opportunities for economic development. I think this is a sound measure for the reason that the closer the administration is to the project being carried out, the more effective the program usually is. The people on the ground have an input to make to the development of such programs that is invaluable. First of all, they know or should know the needs of the community in which the program is being developed. They know or should know the resources of men, materials and equipment which are available to meet those needs. And thirdly, because they are operating under the eyes of the community itself, there is a good chance they will be more concerned than an outside agency with doing the best job possible, because they have to live with the people for whom the program is being developed. Finally in this respect, the need for experienced and trained business managers to administer these programs is self-evident from the very beginning.

Social Policy: The measures suggested to rationalize and modernize our social policies are long overdue. In this respect I would like to compliment the new Minister of National Health and Welfare, Marc Lalonde, on the excellent speech which he made in the House of Commons on Thursday, January 11. It was an excellent speech and put in perspective the whole range of frequently overlapping and unintegrated social programs in Canada. While on the subject of this speech, I would like to say that, as far as I see, the quality of speeches made in this current session of Parliament is better than any that have been made in the House of Commons in the last 10 years and this goes right across the spectrum of the parties there.

Hon. Mr. Martin: With some exceptions.

Hon. Mr. Cameron: With some exceptions, right. Everyone can find exceptions. I say this regardless of party. There have been excellent speeches made by Mr. Diefenbaker, Mr. Wagner, Mr. Reid, Mr. Lalonde, Mr. Firth from the Northwest Territories, and a number of others. They have set a very high standard and we can only hope that the performance in the House of Commons, in dealing with legislation in the weeks and months to come, will be of the same high quality.

Mention was made of providing an equitable guaranteed annual income for the aged, the blind and the disabled. I think that, thanks to the work done by our colleague Senator Croll and his associates on the Poverty Committee some years ago, a good deal of education of the public has gone on since that excellent report was

presented. People, today, are coming to recognize that instead of the multiplicity of programs which are often overlapping, which are often inefficient because of gaps between them, and which are confusing when looked at as a package, could be much more efficiently and much more economically administered through the provision of a single guaranteed annual income for those who are unable to work and help themselves. Canadians are prepared to be generous to these people, and the guaranteed annual income could be an effective way of meeting this need first, and in time I think the day will come when we will find that the guaranteed annual income for all will be preferable to the multiplicity of social and welfare programs now on the statute books.

• (1440)

A second very important measure is the one which suggests that the social security system be modified to provide more incentives for people who can work, to get them off social aid and back to work. This is a very important measure and we hope that it will be put into effect at the earliest possible date.

Much has been said in recent months about people who are refusing to take jobs because the difference between what they would be paid and what they would receive from either unemployment insurance or welfare is so little that they are further ahead not to take jobs. In one of last night's Ottawa newspapers there appeared an article to the effect that a street-cleaning firm was offering applicants $3.27 per hour to clear the streets, but nobody wanted to take the job.

The degree to which this well-meant and necessary legislation is being abused is a matter of dispute. The fact remains that surely we can devise measures which will provide sufficient disincentive for people to accept welfare. In other words, people should be encouraged and given incentives to take jobs rather than become dropouts from society, living at the expense of those who are willing to work. As I said earlier, there is a dispute as to what percentage of the people are abusing our social welfare program. But again, good administration would soon plug the gaps in the legislation and make it more effective in meeting the needs which it was designed to meet in the first place.

One of the disheartening facets of life in many a Canadian community in recent years has been the plight of the so-called working poor, those who, because of pride and a sense of their own dignity, continue to work and support their families on incomes that sometimes are less than they can obtain from welfare. One of the difficulties here is that a man may be working at a job which pays the minimum wage. He may have a family of five or six children, whom he has to support on the wage he earns. On the other hand, if this man were to give up his job and go on welfare, he would receive sometimes twice as much as he was earning from his job, because welfare payments are paid on the basis of minimum needs for the basic couple, plus an allowance for children. In reality, this has the effect of distorting the total amount of income coming into the household in any one month.

No one wants to cut down on the amounts paid to those people who, through no fault of their own, may find themselves unemployed. But we have to remember that the intent of the legislation was not to impose a burden on people who are working at the minimum income level, but who are too proud, too independent, and have too much self-esteem to go on welfare.

There are abuses, flagrant abuses, of the social security system. For example, a case which can be duplicated over and over again is that of a husband and wife who are both working. The man may have a good job, but his wife may be employed for three, six, or nine months of the year and then have her work terminated for a period of months. In many such cases, the income of the husband is sufficient to maintain an ordinary family, but time and again, when the wife of such a man has had her work terminated because of its being seasonal or short-term, she will register for unemployment insurance. This is not what unemployment insurance was intended for in the first place.

A justification for their doing this is that they pay into the unemployment insurance fund. But again, because the unemployment insurance fund was not accurately actuarially based, we have had the picture this year of the tremendous deficit in the fund. This is the kind of thing that has to be clarified.

I can think of other instances, where fishermen will go out and in a few weeks earn from $15,000 to $20,000, or as much as $30,000. They then return home because the fishing job is completed, and draw unemployment insurance. I can think of some specialized areas, such as our national parks, where, if one looks at the record, one will find more guides per capita than in any other area in the country, the reason being that guiding is a seasonal occupation, usually confined to the summer months. When the summer months are over, such people can draw unemployment insurance. Nobody wants to deprive them of something which is their right, something which they have paid for. However, our whole unemployment insurance picture has become distorted—so much so, that there is a grave danger that the backlash may result in curtailment of what basically is good legislation. Again we come back to the fact that the weaknesses are mainly in the quality of administration.

As to the measures proposed for housing and urban development, I wish to re-emphasize what I said earlier, namely, that assistance for low-cost housing for senior citizens should be the number one priority. It should be conceived on a much larger scale than anything we have done so far, because the building of houses provides more employment than almost any other industrial occupation. It provides employment in a wide cross section of the community because of the varied needs which go into the provision of housing. Secondly, there should be assistance toward home ownership for those on low or moderate incomes. Again, investment in this kind of development is one which would pay dividends far above any amounts that are paid into it.

There are other measures relating to home building. The first is the assistance in rehabilitation of older neighbourhoods, and, secondly, assistance in the relocation of railway tracks and other facilities. These are important measures, if implemented, and it seems to me that we should be providing substantial sums of money to carry out a sustained program over a period of years for the purposes indicated. There was a time when the cure for

older neighbourhoods was to bring in the bulldozers, and bulldoze them out of existence. This entirely ignored human values and the human attachments to neighbourhoods, and it also ignored the fact that it may be much cheaper to rehabilitate and improve the housing and amenities in some of these neighbourhoods than to bulldoze them out of existence and replace them with high-rise apartments.

Related to this is the whole program of land assembly for new communities as a means of controlling the urban sprawl. Here again is an opportunity where the federal, provincial and municipal governments could combine and invest wisely in the acquisition of land to prevent land speculators from escalating the cost of land out of all relationship to its value, and make it one of the prohibitive elements in the cost of providing housing.

The Throne Speech indicated that the expenditures under the physical fitness program would be doubled over the next three years. I consider this a good idea, but in this connection I wish to issue a caveat. It is that not one dollar of the funds for the physical fitness program must be used for assisting the 1976 Olympics in Montreal. I want to go on record at this time as saying that I will oppose in every way I can the expenditure of between $500 million and $600 million for a program which, by no rhyme or reason, can be justified in Canada. The federal government, after getting its fingers burned over the costs involved in Expo, should think twice about falling into another of Mayor Drapeau's grandiloquent traps which would be developed at the expense of Canadian taxpayers as a whole. I want to quote an article by one of Canada's most respected sportwriters, Jim Coleman, which appeared in the Ottawa *Citizen* on Friday, January 5:

• (1450)

> In the last 48 hours even the most naive newspaper readers must be beginning to realize that Mayor Jean Drapeau and the members of his Olympic Games organizing committee in Montreal are bull-shooters par excellence.
>
> Those same newspaper readers finally must be ready to acknowledge that the 1976 Summer Olympic Games in Montreal loom as a promotional rip-off. With jaunty Jean and his Merry Men at the controls, the 1976 Summer Olympics may prove to be the biggest sports financial disaster in the history of North America.
>
> And the sick joke of it is the taxpayers of Canada ultimately are going to be stuck with the bills which may total $500 million.

I do not know what his authority for that figure is, but it is repeated time and time again.

> No columnist desires to bore his readers by writing repetitiously on one theme. However, the 1976 Summer Olympics rip-off has such important implications for every Canadian taxpayer that a sports columnist would be shirking his obligations if he ignored the subject.
>
> Because the subject is politically explosive, all members of Canada's Parliament carefully are shoving Olympics '76 under one corner of the rug.
>
> Mayor Drapeau and his Merry Men exposed themselves as bull-shooters—

And this is Mr. Coleman's term, not mine.

> —when they staged their big press conference on Wednesday to explain their $25 million television sell-out to the American Broadcasting Company.
>
> For the last two weeks, Drapeau's spokesmen have been permitting the Canadian public to absorb the erroneous impression that Montreal's Olympic Committee will get the entire ABC fee of $25 million.
>
> "Ah, ha!" they said in effect. "See how clever we are. We still have almost four years to get ready for the 1976 Olympics, but already we've collected $25 million."
>
> Within 24 hours after the Montreal press conference, the members of Drapeau's committee had been backed into a corner. Gerry Snyder, who spends a lot of time tidying up after Mr. Drapeau, acknowledged that Canada's Olympic organizing committee will receive only $7 million of that $25 million.
>
> Almost simultaneously, a CBC official was predicting that the CBC would be forced to spend $40 million for new equipment to televise the 1976 Summer Olympic Games.
>
> The taxpayers of Canada pay the cost of operating the CBC.
>
> So that $25 million television deal with ABC proves to be a pig in a poke. The taxpayers of Canada will be socked for $40 million in equipment purchases, the taxpayers will receive $7 million from ABC, so the taxpayers will suffer a net loss of $33 million.
>
> Some deal, Mr. Drapeau. The taxpayers of Canada scarcely can wait for your next little surprise.
>
> Mayor Drapeau and his Merry Men are bull-shooters when they attempt to persuade their fellow Canadians that the staging of the 1976 Summer Olympic Games will bring riches and/or glory to Canada. Already, the West Germans are beginning to have second thoughts about the effects of the last summer's Olympic Games in Munich.

And there are others. Mr. Don Goodwin, head of CBC Sports, in answer to this said that they are not proposing to spend $40 million. He said that the CBC had a lot of equipment and by 1976 would have a lot more. He went on to say this:

> If we could see, for instance, that it was going to cost the CBC $10 million or $15 million over and above the revenue, we would then inform the organizing committee and it could foot the bill; or if it didn't, then perhaps the federal government.

And so you get this story all through the sports columns. I feel this whole situation ought to be looked at more carefully. I say this with regret, because Montreal is a city for which I have the greatest affection. It is a city that adds a distinction to Canada, and it has a quality that I should like more citizens of Canada to see and understand.

Another suggestion which I warmly welcome and will support—and I hope it will be translated into effective legislation—is that new regionally based financial institutions, better able to serve the financing needs of business

enterprise and industrial development, be established in Western Canada. This is something that is long overdue. We frequently hear that there is a need for monetary reform, reform of the legislation with respect to banking and credit and, of course, it is a well-known fact that a lot of the monetary reformers have come from Western Canada.

In saying that we need new regionally based financial institutions, it is not to reflect on the soundness of our present banking system. We have a banking system that has a fine record. However, it also has a very conservative track record. In the history of banking experience in Canada, the banks have never moved into a field of need until they were forced to do so.

The banks became exercised a few years ago about the rapid growth of the near banks—the credit unions and the trust companies—which were providing a modified form of banking services and cutting into the profits of the banks. The banks have no reason to complain about their profits over the last few years. As a matter of fact, they have been doing very well. However, the virtue of a regionally-based financial institution, in my judgment at least, lies in the fact that Canadians have not begun to mobilize the financial resources of this country to the extent possible. There is much more money in bank saving deposits than people are aware. If we had regional institutions designed to mobilize these resources of savings—institutions administered by people who know the region and who have the confidence and respect of their fellow citizens—we would have a much more viable and much more locally involved system of meeting the financial needs in the community than we have at the present time.

Honourable senators will recall some years ago applications for charters came before the Standing Senate Committee on Banking, Trade and Commerce from the Bank of Western Canada, the Laurentide Bank, and the Bank of British Columbia. At that time there was tremendous opposition from many of my colleagues to the establishment of these institutions. The Bank of Western Canada did not succeed because the people who were behind it were not motivated to serve the community concerned, but rather they saw in it an opportunity to make huge profits for themselves. As a result, the proposal did not gain the confidence of the people which was necessary to make it a viable institution.

The Bank of British Columbia had a hard time getting started, but it is now well established. It is expanding year by year, and is meeting some of the needs of the province of British Columbia in a most satisfactory way, and returning a substantial profit to the shareholders. I should mention that the Laurentide application was approved, but later withdrawn.

This piece of legislation is long overdue. I have suggested on more than one occasion to the provincial government of Alberta that they should lose no time in applying for a charter for the Bank of Alberta. They already have in existence the nucleus of an excellent banking system through the Treasury Branches. If a Bank of Alberta were established, the Treasury Branches could become branches of it. The experience and knowledge of the communities where the Treasury Branches have functioned satisfactorily for many years would be at the service of the Bank of Alberta making it an immediately viable and successful institution. I should like to commend the government most sincerely on this long overdue provision for a new financial facility.

It is with some trepidation that I venture to discuss the Official Languages Act and bilingualism in the Public Service. It has become a very emotional topic and, apparently, if we can judge by the fevered comments of the Honourable Jean Marchand in the other place on Friday last, the emotionalism has not been settled by the election of October 30. I preface what I am going to say on this emotional and controversial subject by the statement that I am speaking first as a Canadian, a Canadian who has invested a good many years of his life and a good many thousands of dollars, starting as far back as 1939, in developing a program of bilingualism for teachers in the schools of Western Canada. I want to say at this time that any person who suggests that Western Canada is anti-French, or is opposed to bilingualism in the Public Service, does not know what he is talking about, and is equally as culpable—

Hon. Mr. Flynn: That is what I said.

Hon. Mr. Cameron: —of causing dissension as those, in both Eastern and Western Canada, who are anti-French, anti-English, or anti-bilingualism. The people of Western Canada are not anti-French; they are not anti-bilingualism. What the people of Western Canada have resented—and I think they have had a right to resent it—was the insensitive, clumsy, and incompetent way in which the program of bilingualism in the Public Service was rammed down the people's throats, and the manner in which the objectives of the Official Languages Act were being arbitrarily administered. Again I come back to the element I was talking about in the beginning of this speech when I said there was a tremendous need for an upgrading in the managerial skills of the people in the Public Service.

• (1500)

It has become commonplace to say that the reason the Trudeau government had only seven members out of 68 elected in the four Western provinces was because of an anti-French backlash. I resent this, because it is not true. I will go further and say that the Prime Minister, the Honourable Mr. Marchand, and the Honourable Mr. Pelletier are not doing a service to the furthering of understanding between French and English Canada when they continue to harp on this particular subject. The people of Western Canada have accepted the objectives of the Official Languages Act. The people of Western Canada would be happy to see an explosion in the capacity of anglophones to speak in either language. And, I think, they would be happy too if they found that more people in French Canada, particularly those in the back concessions, displayed a capacity to speak English.

I have often envied the facility with which people from the urban centres of French Canada move from English to French, and vice versa. I have envied the smoothness with which the Prime Minister, Mr. Pelletier, and many others are able to converse fluently and easily in both languages. This is an objective which I am sure every Canadian would like to achieve, but I want to say, as an

educator with a long history of experience in dealing with languages, that the method followed was one that was bound to cause irritation, was bound to cause resentment, and was bound to cause a backlash.

An announcement was made not very many weeks ago that the cost of training people in the Public Service to be bilingual was $27,000 per man. I do not know whether this figure is accurate. Whether it is $25,000 or $30,000 is not so important, except it seems to me there is a great waste of money. I believe we spent $54 million on this program last year. I am going to suggest that, while it will be necessary to provide a certain amount of training in the French language and the English language for public servants, we are trying to get results in too much of a hurry; that we would get much more effective results if we took that same amount of money and spent it to subsidize the training of 2,000 or more thoroughly qualified French language teachers and spread them throughout the schools in Canada, from the kindergarten up, so that in every school in this country all the pupils would be required to learn the two languages. They would grow up accepting a knowledge of the two languages as a perfectly normal program, and they would be like their European counterparts, who grow up with a knowledge of not only two languages, but sometimes two, three, and four. It is this long-range program that will pay far better dividends than anything we are trying to do at the present time.

The present program, largely through faulty administration under the Public Service Commission, and through an understandable but unrealistic appreciation of the facts of the situation, has resulted in the creation of uncertainties, antagonisms, and misunderstandings which will take years to overcome.

Let me give you an illustration of what happens in some of our institutions. About two months ago I spent some time at a crown corporation within twenty miles of Ottawa looking through the facilities, under the direction of the manager. This institution does business of about $11 million a year, and employs some 900 people. In going through this very modern plant, dealing with new technology, the manager apologized. He said, "We are a bit confused today because seven of my senior department heads are away on an immersion course in French." This did not surprise me so much, but I asked, as a matter of interest, how old were these men. He said, "From 45 to 55"! Well, anybody who has had anything to do with education knows that a lot of the effort put into teaching French to people at that age is wasted effort. There is a fraction of our population who have an ear for languages, who have a facility to pick up languages, but that fraction is not large. As far as most of these older people are concerned it is not only a disruption of their service, but it is a relatively unproductive investment.

I would certainly agree that if we are to embark on a national program of language teaching designed to make this country a truly bilingual country we will have to think in a time frame of at least 15 to 20 years. But by putting thoroughly qualified teachers of French in English schools, and thoroughly qualified teachers of English in French schools, and making it necessary for all of our students to take the two languages, we would ultimately develop a constituency in which the people coming through that program accept bilingualism as a natural way of life in this country. Then we would have true bilingualism; we would have true national unity in the sense that people can understand each other.

Certain leaders in French Canada have been suggesting that there was an English backlash against French Canada and that this was evidenced by the election. They are confusing two things. They are confusing an acceptance by the Canadian people of the desirability of speaking the two languages on the one hand, and bilingualism in the Public Service as a desirable objective on the other, with a reaction against the way the administration tried to implement this program. In other words, the backlash was against the misconceived administration of the program, and not against either French Canada or bilingualism.

During the election campaign there was what I have called the "silent backlash," not against French Canada, not against bilingualism, but against the way the program was being pushed. I venture to suggest that if the leaders of French Canada—and this goes for the Prime Minister down—were to understand the reaction in English Canada, they would stop talking about the English backlash. The continued reiteration that there is a backlash in English Canada against French Canada is irritating people needlessly, and having a negative effect on the program they and the rest of us are so anxious to see implemented.

Related to this question of national unity and bilingualism is a reference to measures to encourage tourism. I feel the two areas should be related, and I am going to suggest here that one of the most effective things that could be done in the interest of national unity would be to provide a greatly extended program under which Canadians from different parts of Canada could, at the lowest possible cost, be encouraged to visit other parts of Canada. For example, people from the Maritimes who have never seen the West should be encouraged to go right through to the Pacific coast. People from Quebec would find a very warm welcome anywhere in Western Canada. Time and again I have talked to French Canadian groups on their way through Western Canada, and it has been rather disconcerting to have them express surprise at the warmth of the welcome they received. The people of French Canada will be warmly welcomed in Western Canada at any time, and Western Canadians would like to see more of them. Again, while many more Western Canadians visit Quebec than is the case with Quebecers visiting Western Canada, nevertheless, there are Western Canadians who should get into the back concessions of Quebec too and meet the real French Canadians.

In other words, we must make provision for our people to get to know each other better, to understand our problems better, and be able to communicate better. Pushing the bilingual program in the Public Service does relatively little to develop that kind of a program, but it can be facilitated greatly if what I have suggested is incorporated as part of a national program in the Canadian schools and Canadian tourism.

It had been my hope to deal with a very important element in this Throne Speech, but time will not permit my discussing it at this time. However, I propose to get at

it in another way and in another debate. I refer to the economics of transportation in Canada.

I have only touched the highlights of some of the measures proposed in the Speech from the Throne—measures which I am sure, if carried through by appropriate legislation, will provide for the people of Canada many of the things they wanted to hear in the election campaign of 1972. If as a result of that election campaign, and as a result of minority government, the people of Canada get these economic and social programs, which have so much meaning to them at the grassroots, the election will have been more than justified, even if it failed to meet the wishes of some of our politicians.

• (1510)

[*Translation*]

Hon. Renaude Lapointe: Honourable senators, the year 1972, a year of many important political events, ended for us on a note of sadness and uncertainty. But the first days of 1973 brought to us, and also to the people of Canada, a first-class stimulant—that stimulant was the Speech from the Throne which in a few hours had the effect of creating a resurgence of confidence and optimism from coast to coast in a country which has been painfully divided since October 30.

Before launching into a short analysis of that document, which meets the major expectations of Canadians, and adding a few considerations on certain matters of particular interest to me, I should like to render tribute to our leader. Besides having been maintained in his office of high responsibility by the Prime Minister, Senator Martin most worthily represented his country and the Canadian Senate abroad during the past months, particularly at the United Nations Conference Trade and Development in Santiago, at the Inter-American Development Bank Conference in Quito, on the occasions of ceremonies celebrating the National Day of Gabon, the inauguration of the Highway of Canadian Unity and Friendship in Niger, as the official guest of President Diori, and, within recent days, the commemorative service in tribute to President Truman in Washington and the ceremony honouring the memory of our former esteemed Prime Minister, the Right Honourable Lester Pearson, in Boston.

[*English*]

I would like also to express the very special joy and pride felt by the female members of this house when they learned of the appointment of the Honourable Senator Muriel McQueen Fergusson as Speaker of the Senate. This is indeed a well-deserved honour, and we wish to convey to you, Madam Speaker, the assurance of our respectful admiration and of our full co-operation.

[*Translation*]

To our former Speaker, Senator Jean-Paul Deschatelets, we will simply say how much we appreciated his work and how glad we are to see him take his seat with us. To Senator Gil Molgat we wish good luck in his new office and we welcome our new and distinguished colleagues.

The Speech from the Throne which was expected with exceptional curiosity was an agreeable surprise to the whole population. The concrete, flexible and realistic nature of this document, stripped of useless rhetoric, the new orientation it sets forth, its general tone which is markedly less Olympian and more promising than before have raised favourable comments throughout the country.

Showing a more obvious willingness to fight unemployment and to create work incentives, to co-operate with the provinces, and to decentralize programs, the Speech from the Throne announced at least half a dozen joint studies and federal-provincial conferences. Among those conferences the meeting which would enable the government to study with the Prairie provinces western economic development and the establishment of financial institutions and industrial activities that would better fit their needs calls for special attention. If such an initiative could eliminate the alienation felt rightly or wrongly by those provinces, the rest of the country which deplores the psychological and political gap west of Ontario would be most happy.

Even though the achievement of the objectives of the Official Languages Act does not have top priority in the Speech from the Throne, I feel that it is my duty to deal with it because the government intends to continue striving towards it and because, as two great Toronto dailies wrote following the elections, the purpose of the program is always valid as a just and necessary value for the unity of Canada, in view of the fact that French Canadians are still seriously under-represented in the upper echelons of the federal Public Service.

Hon. Mr. Langlois: The honourable senator will excuse me for interrupting but we do not hear her very clearly on this side of the Senate. It may be that the document she is holding in her hand covers the microphone; she could perhaps speak up a little.

Hon. Miss Lapointe: Don't I speak loud enough?

Hon. Mr. Flynn: Strange, but we hear quite well on this side.

Hon. Miss Lapointe: We know that in our democratic system, power is only loaned to the political man. However, the conditions of the loan are not set arbitrarily and the ministers themselves must interpret the global mandate entrusted to them. They must make the choices and set the priorities. They also must take political steps which, in some regards, are more or less popular, but which are nonetheless dictated by their concern for the good of all.

The assertion and respect of the linguistic and cultural diversity of a people is one of those steps. This stand is liable to meet with some opposition in view of the conservatism and xenophobia that is rampant in any community. As the Honourable Gérard Pelletier stated last September at the Canada-UNESCO Forum in Ottawa, multiculturalism cannot be said to be a popular value, except among the minorities it protects, or in the rather exceptional case where the various groups are in pratically equal numeric proportions.

It is of course possible to increase the popularity of such a policy through an appeal to other known values such as understanding, tolerance, respect for others, broadness of mind, and so forth. But there will always be people who will fear the loss of prestige and exclusiveness that may result for the majority culture which they represent.

During its first term, the government displayed much courage on the issue of bilingualism in the public service, for it was perfectly aware that it was exposing itself to serious danger. It is easy to claim that if the Official Languages Act had been explained better, and if it had been administered with more judgment and consideration, it would not have met with any serious opposition. Given such a far-reaching reform that bore on the very sensitive issue of the majority's vested interests, a reaction was inevitable, regardless of the methods used. Is it possible in just a few years to do away with habits that were established and confirmed for a century without giving rise to hostility and lasting bitterness? A change of mentality must first take place and legislation cannot do it. It takes time and a lot of goodwill to achieve it. Has the program really been pushed too fast? Have older civil servants been discriminated against? Without the mistakes made along the way and without the squabbles which have over-heated feelings the reaction might have been more restrained.

• (1520)

For example, what has not often been said is that French-speaking civil servants have also had to put up with and are still putting up quietly with many inconveniences and frustrations, several of which come from the application of the legislation. For example, when their colleagues are off work for several weeks every year to learn French, who has to do the extra work? Most of the time French-speaking people who did not wait till there was a law to become bilingual but who taught themselves the language the hard way.

In providing new explanations and greater assurances to civil servants, the government took pains to explain that it was not retreating.

However, it is clear that the time limit, which has been pushed back to 1978 from 1975, for the full realization of this policy outlined in 1966 and officially initiated in 1969 represents a real slow-down that the Quebec electorate did not accept easily. In fact, the nine principles defined by the President of the Treasury Board contained many concessions which will naturally benefit English-speaking people and reassure them completely; the statement made by Mr. Claude Edwards, president of the Public Service Alliance of Canada proves it; he said that the development of this new policy meets almost all the requests of this union.

Among those policies, we strongly doubt that ordinary language training over a period of twelve months only is sufficient, in 80 per cent of the cases, to allow a unilingual person to hold satisfactorily a position that has been classified as bilingual. Presently, it is reported that there are a good many of these allegedly bilingual people whose incompetence and conceit, upon their return, only exasperate their truly bilingual colleagues. However, we are willing to trust the Public Service Commission by saying once again the old axiom: patience and time will achieve more than force and rage.

What would indeed be the purpose of drastic measures if they only succeed in throwing ethnic groups at each other's throat, thus altering the major objective which is to make Canada an harmonious and balanced country? Patience however has its limits, and any additional dilatory measure or any softening of the Treasury Board's requirements could well give rise to dissatisfaction and especially to deep disappointment in the French-speaking population.

It is said in the Speech from the Throne that

> Further assistance will be offered to the provinces to help ensure that to the extent possible:—Canadian students can learn, as a second language, the other official language—

Many citizens have complained that the provinces are using for other purposes the sums they receive to promote the teaching of the second language. This is a dishonest and shameful tactic which will greatly prejudice national unity. Provincial governments must cease doing so and the federal government must find a way to control more closely the spending of the sums thus granted.

As long as the second language is not better taught to young people in schools—Senator Cameron has just referred to that—we shall unfortunately have to keep on turning into instant bilingual people the unilingual adults who join the Public Service and complain, most of them, of not having properly learned a second language while they were young. Language courses on the spot are presently required, but this is certainly not the most rational or efficient way of becoming bilingual, and it is indeed the most costly.

And now, to a new subject. In the field of social policy, it does seem as if the government has become more flexible and recognizes more readily the need for a review and reorganization of the Canadian social security system as a whole, in order to better fulfill the needs of the various areas.

The first of five principles underlying this reorganization contains the heretofore feared expression "guaranteed annual income." It must have thrilled our distinguished colleague Senator Croll, even though it still only applies to a restricted number of Canadians, the old, the blind and the disabled. Still, this is a very important step toward the achievement of an ideal which, however, can only be reached progressively.

The fourth of these five principles must also be noted. It states:

> Fourth, it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

Combined with the announcement of a conference for provincial ministers of welfare in April, that position statement quite clearly means that consideration will be given not only to such unqualified views as those of Mr. Castonguay but also to individual feelings. The results of a Gallup poll show indeed that most Canadian voters feel that provincial responsibilities in taxation and social security should be increased. And the highest percentage of those who advocate decentralization is not found in Quebec, as it could be supposed, but in British Columbia—56 per cent in favour, 25 against and 19 undecided.

We are extremely pleased that the new Minister of National Health and Welfare, Mr. Marc Lalonde, is prepared to assume the responsibility of moving on with this

important revision and that he has already had discussions with the provincial leader of the reform movement, Mr. Castonguay, who was apparently satisfied with them. Not only does Mr. Lalonde seem most able to put order in the tangled situation of the various social security measures that need to be unified and rationalized, but he seems most prepared to show great flexibility vis-à-vis the provinces and their different ways of looking at the problems. All things considered this could bring about a major breakthrough in a field where frictions have been quite animated in recent years.

Mr. Lalonde has already taken over his department with the expert skill inherent in his profound knowledge of federal-provincial jurisdictions and relations. His will to protect the interests of the average citizen is also part of his concerns and we would like to congratulate him on the position he took recently regarding patent drugs. The Quebec College of Pharmacists actually accused Ottawa of being indirectly responsible for thousands of poisonings by letting go unrestrained the unbridled distribution of patent drugs as well as exaggerated advertising and demanded that their distribution be entrusted to competent people. In reply to those criticisms Mr. Lalonde stated:

> We fully recognize the right of the public to choose its own drugs for mild illnesses. If patent drugs are limited to drugstores only and sold on prescription a box of headache tablets which costs 29 cents at the grocery store could well go up to about $8.29 after the intervention of the doctor and the pharmacist, and this could not in any way stop some individuals from taking excessive and dangerous overdoses. However, we want the products used to that end to be entirely safe.

• (1530)

And that is when he announced the first steps towards the reform of regulations on the manufacturing, advertising and control of such drugs, stating however that their distribution came under provincial jurisdiction.

The Speech from the Throne also announces a free vote on the question of capital punishment. In the Third Commission of the United Nations General Assembly, which deals mainly with human rights and on which I was sitting as late as 1972, capital punishment has been on the agenda for several years. Periodically the Commission measures the progress made in the various countries towards the abolition of this penalty, or at least towards the limitation of the categories of crimes punishable by death, since the Moslam countries, on the basis of the Koran, cannot accept the complete abolition of capital punishment.

Therefore, in the 1968 Report of the United Nations, reviewing new developments from 1961 to 1965, a chapter is devoted to some kind of alternative sanction, because to find a worthwhile substitute is not as simple as one could imagine. In most cases, it is life imprisonment; in some countries, it is hard labour for life, although the expression is misleading and no longer means such hard work as in the past.

Another possibility is the indeterminate sentence, which obliges the offender to take his future in his own hands, since the date of his release depends on his behaviour and on the progress he achieves. But, among others, the Canadian Committee on Corrections is opposed to indeterminate sentences, as well as the Canadian public, and the United Nations which have also studied this problem do not seem interested in this solution either.

In 1968, at the meeting in Geneva of the United Nations Committee of Experts on the Prevention of Crime and Treatment of Offenders—another question under the responsibility of the Third Commission—the delegates expressed the opinion that inmates whose death sentence has been commuted should be placed on the same footing as other prisoners serving lengthy sentences, i.e., be able to work and at some point be placed in a medium or minimum security institution. In Japan, for example, they are given productive work to do to restore their mental stability and possibly ease their return to society. More and more the degrading effects of long-term imprisonment are recognized and steps taken to minimize those effects.

The non-abolitionists are scared. They fear that a one-time killer is always dangerous. I think that at least in the past year a campaign should have been launched throughout the country to let those people know that many of their fears are groundless. Studies have proven that the imprisoned killers have similar and often lesser rates of criminal assaults than their fellow inmates.

On the other hand, abolitionists are inclined to claim that the life of murderers should be spared but that they should never be set free. Such reasoning is not based on facts either. Rates of recidivism in the case of paroled murderers clearly show that they have the best record of all paroled prisoners.

I agree with the conclusion of the document on capital punishment published under the authority of the Solicitor General and including new Canadian material for 1965-1972.

To those who believe that research and the gathering of objective material would not shake preconceptions and would not permit the debate to make some headway, one can answer that some people are still undecided and that bringing forward concrete and objective facts could help them make up their mind. I share that view, whereas before 1965 I was rather in favour of the death penalty. Since then, in the light of much reading and many testimonies, my opinion has gradually changed. It is therefore true that while debates on the subject are tinged with emotionalism, presentation of facts and figures collected practicaly everywhere in the world can exorcise this emotionalism and bring more realism into the debate.

However, if, as everything seems to indicate, the trial period is renewed for a further period of five years, it will be extremely important, to meet the quite legitimate demand for security on the part of those who are against abolition, to bring forward other measures also mentioned in the Speech from the Throne, aiming at a reform of the penitentiary system and the probation system by way of greater emphasis on the rehabilitation of inmates and—hardly to be underestimated—better protection of the public.

In conclusion, and at a time when the leaders of the four federal parties have just renewed their profession of faith in national unity, I should like to invite you, honourable

senators, to ponder on this somewhat paradoxical opinion expressed by parliamentary reporter Anthony Westell. According to him, survival of Canada might call for less, instead of more unity. The results of the election show, he says, that there might well be no real community of interests between the various regions of Canada, and the right attitude to ensure survival of the country might be a more flexible federalism which recognizes the importance of regional priorities and the limits of national unity. In other words, if I have understood his view well, maintaining the physical unity of the country might require less administrative unity.

Another political analyst, from Quebec this time, Dominique Clift, speaks in turn of a rising regional sentiment throughout Canada. Canadian electors, he says, are not prepared to fit themselves into a national mould which would only sharpen their feeling of frustration; they would rather identify themselves with regional and provincial administrative structures which are closer to them and to their needs. That approach, often advocated for Quebecers only, now seems suitable to all or let us say to the majority of Canadians. And the government did not fail to measure the extent of the phenomenon.

Although it would seem that 1972 was the most productive in Canadian history in terms of federal-provincial relations, with approximately 30 meetings at the ministerial or deputy-ministerial level, and no fewer than 300 committees or sub-committees to improve the consultation process, the causes of friction are still many. The decision of the government to put even more lubricant in the federal-provincial machinery is wise both psychologically and politically; in addition to meeting the wishes of the public, it will win greater sympathy from the leaders of the various provincial governments. To those leaders, we would ask only this: that they be honest enough to recognize publicly the enormous contribution of the federal government to their various programs.

The experience in conciliation already launched by Ottawa deserves therefore to be perfected. We are convinced that it will help defuse many criticisms against the government and take away from the most bitter opponents of the federal system their best charger.

I thank you.

• (1540)

[*English*]

Hon. Ernest C. Manning: Honourable senators, may I, first of all, concur in the sincere congratulations that have been extended to Her Honour the Speaker, and to those who have recently been called to this house. I congratulate the mover and seconder of the motion we are discussing, the Leader of the Government and Leader of the Opposition, and all who have contributed to this debate.

The founding fathers of this country, when they established this Upper House as part of our parliamentary structure, envisaged that it would provide the necessary element of stability to our parliamentary institutions. The fact that this house is referred to as the chamber of serious second thought implies that element of stability so needed in the legislative processes of a country. There has seldom, if ever, been a time in Canadian history when there was greater need for stability than now.

The situation that prevails in the Parliament of Canada today gives cause for very serious concern. The management of the national affairs of this nation is presently in the hands of a minority government that enjoys the confidence of less than 40 per cent of the electors. I do not share the optimism which some express that a minority government can provide either the efficiency or the stability that is needed in this country, particularly at the present time. Very frequently references are made to the fact that in Europe, and especially in the mother of Parliaments in Great Britain, minority governments have been very successful. I submit that there is a difference we should recognize between, for example, the Parliament of Great Britain and the Parliament of this country. Long centuries of parliamentary experience in Great Britain seem to have produced a degree of parliamentary discipline, and discipline on the part of individual members of Parliament, that we have not yet acquired in Canada.

For example, in the British House of Commons when serious international issues of great importance are being debated there seems to be ready agreement on setting aside a relatively short period of time during which the issue will be discussed, and when it is put to a vote the judgment of the majority seems to be readily accepted. We can hardly say that this is the situation in Canada.

In our House of Commons it seems almost impossible to obtain agreement on limited periods of debate without parties or individuals implying closure or taking violent exception to the decision of government to proceed in a certain way. Until we reach the point of parliamentary maturity where we will impose sufficient self-discipline to overcome these obstacles, in my judgment, minority governments cannot function satisfactorily.

Not only do we presently have a minority government, but a minority government which lacks true national representation in the other place. Over 50 per cent of the minority government's representation is from the province of Quebec. In all of Canada west of Ontario there are only eight representatives on the government side of the House of Commons. It is also worth noting that both of our major parties in Canada are in a similar position. The Conservative Party, with a reasonably strong representation from the Maritimes and Western Canada, has only two members from the province of Quebec. In the case of the government, it has seven members west of Ontario, and not a single representative from the province of Alberta. One shudders to think how the government under these circumstances could act effectively should it be confronted with a serious national crisis, particularly if it should be an issue on which there was a confrontation between one region of Canada and another.

The current situation is made even more serious by the fact that the New Democratic Party, representing less than 18 per cent of the electors of Canada, is in a position to dictate whether or not Parliament will continue, and on what terms. Surely this lends itself to the worst kind of political blackmail possible under our system.

Under these circumstances, many Canadians, and I confess I was one of them, had hoped that there might be some unusual act of statesmanship on the part of both of the major parties to resolve the parliamentary impasse

that we face in this country today. Surely it should be possible for the major parties to recognize that there are certain urgent issues facing Canada that are in no sense party issues because they transcend political party boundaries in every respect.

• (1550)

These are issues such as unemployment, inflation, certain reforms in our social security programs, national unity, resources utilization and conservation, and concern with the ecology of Canada. These are not the property of the Conservative Party, the Liberal Party, or any other party; they are the concerns of all Canadian citizens.

It had been my hope that our two major parties, representing jointly over 73 per cent of the electorate, might have bridged this serious period in Canadian history, not by coalition, which in my view is fundamentally unsound, but by putting together an interim union cabinet to carry out specific programs in at least some of these broad areas of the national concern, during the interval of time after which it would be appropriate to go back to the electorate for a new mandate. There have been union governments in other countries, and even in this country there was a form of union government in the days of the First World War. An interim union cabinet would not preclude a party from retaining its party identity in Parliament; I think it should retain that identity. It would not require that they abandon their party positions, which they should retain in order to submit them to the Canadian people when they go back for another mandate. Within the framework of certain major national concerns, however, it would surely be possible for an interim union cabinet to bring to bear the best judgment of the parties representing, as I have said, over 73 per cent of the Canadian people, and provide the country with the measure of stability in government so desperately needed at the present time.

To me this made such good sense that I took the liberty of conveying this idea by correspondence to both the Prime Minister of Canada and the Leader of the Official Opposition in the House of Commons. Regretfully, in each case there was an unwillingness to concede that the country's interests could be served by any arrangement other than their particular party controlling the reins of government. I am still firmly of the conviction that the formation of an interim union cabinet would have been the statesmanlike way to resolve the present impasse in the best interests of this country as a whole.

Since the present government decided against this course I do not fault it for exercising its constitutional right to remain in office and submit its fate to Parliament. I can appreciate the frustration of the Honourable Mr. Stanfield. Perhaps more than any other man in Canada he must appreciate how Moses felt when, after having led his people in the wilderness for years, he was permitted to go up on the heights of Mount Nebo and catch a glimpse of the promised land, only to be told that he could not enter therein. Moses was refused admittance by reason of certain sins he had committed while leading his people in the wilderness. I am content to leave to history whether this will be true in Mr. Stanfield's case.

Having decided to submit its fate to Parliament, the government produced the Speech from the Throne that we are debating in this house today. A stranger to Canadian political life reading the Speech could come to several interesting conclusions. One very logical conclusion would be that the Liberal Party had only now become the Government of Canada. In the Speech from the Throne we find a whole catalogue of desirable things which the government now proposes to do, and this is typical of the Throne Speech of a new government that for the first time has been accorded an opportunity to implement a program that it has long advocated and which the electorate has finally endorsed.

In this case, of course, the circumstances are very different. The Liberal Party has been in office for years; the present government under its present leadership for a full term of four years. The natural question that comes to the minds of Canadians is why were these proposals not implemented when the government had an overwhelming majority in Parliament that enabled it to pass any legislation it felt was needful in the interests of the Canadian people.

The program outlined in the Throne Speech is not the program on which the present government appealed for a renewed mandate. During the election campaign the government's position was that the course that it had pursued in the last four years was a good course, it was the best course for Canada, the country should be very appreciative of what it had done, and the land was strong because of its efforts. The proposals of Opposition parties in the House of Commons, many of which are now embodied in the Throne Speech, were ridiculed and rejected out of hand by the government when it was in a majority position.

The second conclusion a stranger reading the Throne Speech might come to is that October, 1972 was for the Liberal Party a month of discovery. For example, I read paragraphs such as this:

> In the area of social policy, the Government considers that Canada's total social security system—including both federal and provincial elements—must be reconsidered and reorganized, and made more sensitive to the needs of people in different parts of the country.

That, honourable senators, is what the Canadian people and Opposition parties in Parliament have been saying for years.

I read further:

> —it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

The provincial governments of this country have been saying that as far back as I can remember.

The Speech continues:

> —it must be accepted that the reconsideration of Canada's social security system must be conducted jointly by the Federal Government and the Provinces. A better social security system can only be realized if a reasonable consensus can be reached between the governments of Canada and the Provinces. To this end, the Government will invite provincial representatives to a conference of welfare ministers in April.

• (1600)

Here is another:

> The growing complexity of our society calls for increasing co-ordination of federal and provincial government programs. The Prime Minister will propose a meeting in the spring with the provincial First Ministers to plan further steps in the harmonization of goals, policies and programs for the benefit of all Canadians, particularly in fields that bear on the responsibilities of both levels of government.

And another:

> The Government recognizes that western Canadians wish to build industrial strength on top of their region's great resource and energy base.

Honourable senators, all of those statements are true. But these are the very things provincial governments in this country have been saying for years; and suddenly, in October 1972, the government discovers that these things after all were true.

This savours rather much of deathbed repentance. I do not believe that cynicism is a virtue, but in this case a feeling of cynicism is justified.

Whether these statements which appear in the Throne Speech are worth the paper they are written on will depend on what the government does in actual fact in the weeks and months ahead.

The Speech also contains a number of reiterations. For example:

> The Government is determined to contain inflation in Canada to protect the purchasing power of the Canadian dollar in the hands of the Canadian people and to protect Canada's position in world trade.

Nobody will disagree with that. It is simply a reiteration of something the government has been saying for the past four and a half years, but we still have the problem of inflation.

The Throne Speech states:

> —the Government remains fully committed to two pre-eminent goals, national unity and equality of opportunity for all Canadians.

Nobody will dispute that. But this is merely reiteration of what we have heard over and over again, without any effective steps being taken to meet the problems.

Honourable senators, a discussion of the Throne Speech should not be mere negative criticism. If we are not satisfied with what the government has done or proposes to do, we should address ourselves to what can and should be done.

One of the major problems is the preservation of Canada as a nation. The question of national unity is emphasized in the Throne Speech. It is one of the great problems which remains unsolved in this country today. I was interested in some comments by the Prime Minister since the election. He said he had discovered that some issues affecting Canadian unity which he thought had been settled, were, in fact, not settled at all. He referred particularly to bilingualism.

Bilingualism is important to the unity of Canada, particularly in the province of Quebec and in some other regions. It is foolish, however, to ignore the fact that in some areas bilingualism is a divisive rather than a unifying factor, and we do not strengthen Canadian unity by pretending that such is not the case. Many Canadians resent the frequent insinuation that anyone who speaks about the adverse effects of bilingualism is anti-French Canadian or anti-Quebec, and is guilty of undermining Canadian unity. But the issue of national unity and the preservation of Confederation goes far beyond such matters as bilingualism and the Official Languages Act. It involves the aspirations and concerns and grievances of all the various natural regions of Canada.

I therefore suggest to honourable senators a course of action which is long overdue and which necessitates participation on the part of both the public and the private sector. Surely we have learned, after more than 100 years of experience, that Canada is regional in structure, and that there are distinct differences in aspirations, hopes and viewpoints between the various regions of this far-flung land.

This fact should not surprise us. It is a national characteristic of a country which stretches over many thousands of miles of territory and has a relatively sparse population. Each region of this country has problems and concerns peculiar to that region. Labrador is one. The Maritime provinces is another. The province of Quebec, both urban and rural—and there is a significant difference between urban and rural—is another. The same is true of the province of Ontario, of the Prairie region, and of British Columbia. There is also the Northwest Territories, to which so much attention is being directed at present. I have enumerated seven regions. In addition, we have to deal with problems and concerns which affect the nation as a whole.

If we are to make meaningful progress in developing national unity in the true sense, we must recognize that the people in each region have their own particular aspirations, concerns, and grievances. It is a waste of time to say the people of one particular region should not feel aggrieved about a particular matter, or that the people in another region should forget a particular aspiration. Such talk is completely unrealistic.

Surely the starting point in establishing national unity is to recognize and pinpoint the aspirations, concerns, and grievances of people in the major regions of the entire country. I would like to see developed what might be called a national unity matrix setting out the aspirations, concerns and grievances of each region of Canada and the nation as a whole. When people in a certain region feel aggrieved it is useless merely to say they are wrong and should forget their grievances.

• (1610)

This is a frequent criticism we hear of the West. We are told the West does not appreciate that there is a language problem in Canada. Well, perhaps we do not fully appreciate it in the sense that it is not a problem in the West. It is not a concern to our people in that sense. However, how do you expect a shopkeeper or farmer in Western Canada to react when he picks up a newspaper and reads an article which refers to a special committee having produced a report to the federal Cabinet which said, in part, that Ottawa spent a total of $54 million during the 1966-71

period on French and English courses for government employees, but 92 per cent of the "students" failed to complete their studies? I think this is the type of thing Senator Cameron was referring to. The article goes on to say:

> The task force report singles out the so-called bicultural immersion program as a very costly exercise for the benefit of a small elite corps of high-ranking officials.

How do you expect a farmer in Western Canada with a net income of $3,000 to feel when he reads that his government is spending $55,000 per person to teach some elite group of senior officials a second language at a time in their lives when they cannot do so.

Hon. Mr. Lamontagne: I trust the honourable senator is aware that this report was completely inaccurate.

Hon. Mr. Manning: I accept the honourable senator's statement. I am simply reading a news dispatch. This is what the people of this country read, and one can understand their reaction.

Coming back to the idea of developing a national unity matrix, my submission is that we should pinpoint the concerns, and aspirations, and grievances of the various regions. The government and the private sector should then develop policies and programs to relieve the irritations, lessen the grievances, and provide greater opportunity for the people at the local level to realize their aspirations. Combined with this there should be an educational program to help people in each region better understand the aspirations and concerns of the other areas.

One of the regrets I have after reading the Speech from the Throne is that there is apparently no intention on the part of the government to make a serious attack on the tremendous bureaucracy that has built up over the last few years. Government bureaucracy is a cause of frustration in every region of Canada. It is fine to talk about providing consulting services for the small businessman and better financial facilites. These things are important. However, my experience has been that one of the greatest frustrations of the small businessman, or for that matter of large corporations as well, is the endless amount of government bureaucracy they have to fight before they can exercise their initative and their enterprise in doing something to help themselves and their country.

I will not delay honourable senators longer. I have brought these matters to the attention of this chamber in the hope that as a body honourable senators will exercise their responsibility in helping to provide some measure of stability to the government of this country at a time when it is desperately needed. Perhaps this chamber could also help the private sector realize its inescapable responsibility to devote its time and resources to finding effective answers to the great problems with which we are confronted today.

Hon. Chesley W. Carter: Honourable senators, before dealing with the Speech from the Throne, I should like, first of all, to extend to our esteemed colleague, the Honourable Muriel Fergusson, my heartiest congratulations on her elevation to the very important post of Speaker of the Senate, and my very best wishes for a long, happy, and successful tenure of office.

[Hon. Mr. Manning.]

Those of us who have had the opportunity of working with you, Madam Speaker, on Senate committees, and of knowing first hand your devotion to the work of the Senate, and the tremendous efforts you have put forth in the service of Canada and of your fellow Canadians, are delighted to see your talents and your great contribution recognized in this way.

I should also like to extend a hearty welcome to all the new senators, and a very special welcome to my friends and former colleagues—Senators McIlraith, Laing, Côté and Greene—who have come to us from the other place. I should like to say to them how pleased I am to see them continue their long and distinguished parliamentary careers in this chamber. They have already proved themselves as parliamentarians, and it is most fortunate both for the Senate and for the nation that we can continue to have the benefit of their wisdom, experience and advice.

I must also record my very deep sorrow at the recent passing of two very dear friends, the Right Honourable Lester B. Pearson and the Honourable George Drew. I owe a great debt of gratitude to Lester Pearson which cannot be expressed in words. For seventeen years I served with him in the other place, and for the last eight of those years he was my party leader. It is to him that I owe my seat in this chamber.

When I was first elected in 1949, the Honourable George Drew was Leader of the Opposition. Over the years I got to know him very well, and our friendship grew as we got to know each other better.

I should like to associate myself with the tributes that have already been paid to these two outstanding Canadians both in and outside this chamber. They were both great Canadians, and great men in their own right. Canada and the world are the poorer for their passing.

I should also like to avail myself of this opportunity to congratulate the mover and seconder of the Address in reply to the Speech from the Throne, as well as all those who have preceded me in this debate, on the excellence of their presentations.

This Throne Speech is unique in that it refers to a large number of specific items but, as Senator Hicks pointed out in his very impressive opening speech, all these numerous items can be summed up under the three headings of national unity, economic policy to fight unemployment and inflation, and social measures to improve existing social security programs.

Actually these three things are interrelated and interdependent because we cannot fight unemployment and inflation successfully without a large measure of national unity; on the other hand we cannot expect to achieve any worthwhile level of national unity without a fair measure of equal opportunity for all, coupled with social programs to ensure a decent standard of living for those who, for reasons of age, health, mental and physical handicaps, lack of skills, training and education, are debarred from the labour market.

Good relationships between English- and French-speaking Canadians are all-important. Instead of repeating or adding to what has already been said on this subject, I should like today to draw attention to some other factors that affect national unity.

National unity is something like motherhood. Everybody is for it, but how many are prepared to do what is necessary to achieve it? This is the vital question. National unity will not come about by wishful thinking or merely by talking about it. A lot more than mere lip service is required. It demands a positive effort on the part of all Canadians, regardless of race, colour or religion. It demands an effort that will involve hard work, sacrifice, a willingness to accept a lot of personal adjustments, and possibly painful decisions on the part of each and every one of us. The question is: Are we prepared to pay the price? The stakes are high. The price is trivial in comparison with the goal of a strong and united Canada. A large part of the price is no more than accepting each other on an equal basis, and respecting each other's aims and aspirations. This means giving up our prejudices, our selfish attitudes, facing facts squarely and honestly, and being swayed by the facts instead of by prejudice and emotion.

• (1620)

We in this chamber have a great responsibility to take the lead and set the standards in this respect. The responsibility of the members of the other place is greater even than ours because, being elected, they are closer to the people, and therefore they have more and better opportunities to give this kind of leadership.

In the situation in which we now find ourselves it is more vital than ever to make Parliament work. It is true that Parliament, as the word implies, is a place for talk, but not endless talk just for the sake of talking; not endless repetition merely to use up time and postpone decisions; not talk for the purpose of covering up defects in legislation or disguising the real motives behind it; not talk aimed at confusing the public by distorting the real issues, raising false issues, or creating suspicion in the public mind; not talk merely for political gain or kudos, or talk aimed at embarrassing the government at the expense of the public interest.

Honourable senators, we have all seen a great deal of that kind of talk in Parliament, on both sides of the house and by all parties. In recent years it seems to be on the increase, and the institution of Parliament has gone down in the public esteem. Parliament is a place for talk, yes, but if we really want national unity we must refrain from the kind of talk I have just mentioned, and substitute talk aimed at getting at the truth; talk that will clarify the issues, enlighten the public and, above all, talk that will lead to decisions that will serve the best interests of the nation as a whole.

In this respect, the responsibility of the press is no less than that of Parliament. As Senator Hicks pointed out last Tuesday, too often the electronic media, particularly the CBC, concentrate on and sensationalize the things that tend to divide us, while at the same time ignoring almost completely the things that unite us. To a large extent the press is guilty of the same thing. Opinion is often represented as fact. Statements by individuals are reported as facts without being checked for their authenticity. Rumours and speculation are repeated and elaborated on until they assume the appearance of truth, and even the straight reporting of facts is often one-sided so that the public, faced with contradictory accounts, does not know who or what to believe. Consequently, instead of enlightenment, the press and electronic media too often create confusion in the public mind. History teaches us that sooner on later confusion leads to chaos and the demand for totalitarian control. Totalitarian control means the end of press freedom.

Members of the press and the electronic media are the first to shout shibboleths like "censorship" and "thought control" when anyone suggests their activities should conform to certain standards in keeping with the principles and values on which our society in founded. Of course, in a country like Canada censorship and thought control by government, or any agency of government, is unthinkable, but I suggest to you, honourable senators, that we may nevertheless be subject to a form of censorship and thought control which may be equally dangerous.

It must be conceded that no paper and no broadcasting station can publish all the facts about everything, or even all the items that might be regarded as news. There must be room for selection, and room also for the exercise of independent judgment in making that selection and arranging the order of priority. But even within that framework there are many cases when the facts relating to one side only of a case are reported and the facts relating to the other side of the case are suppressed. Press reporting of the new Unemployment Insurance Act is a case in point. Therefore, whether he realizes it or not, or whether it is done deliberately or unwittingly, the editor, broadcaster, or whoever is responsible for that situation, is exercising a kind of censorship.

The broadcaster who decides to broadcast some news items and not others of equal importance, the programmer who presents some pertinent facts and not others, is also exercising a form of censorship, especially in areas where that particular station has a monopoly. The TV programmer who illustrates a news item with a particular newsreel, instead of another picture which would give a different slant or interpretation, is exercising both censorship and thought control. The programmer who over a period of months features a preponderance of commentators with one particular viewpoint or a preponderance of shows with a particular bias—for example, separatism, anti-Americanism, or the so-called new morality—is also exercising thought control. The same is true of many advertising programs, particularly those with messages that register on the subconscious mind.

Friends of mine who come here from Europe tell me they are astounded at the vitriolic anti-Americanism that is broadcast in Canada. I have received complaints, verbal and written, from reliable people who say that two CBC programs have heavily biased anti-American content. One is the late afternoon TV program entitled "What's New," and the other an early evening radio program entitled "As it Happens." I am told that everything that is wrong with the United States of America is blown up or slanted by a specially selected biased observer, and there is seldom any effective representation of the other side of the case. The announcer's commentary, by choice of words, slanted question, notes of sarcasm and insinuations, also helps to prejudice the presentation. It gives the impression of an attempt to stir up hatred

against the United States, its president and administration.

Honourable senators will remember the program "This Week Has Seven Days," in which a small group of men, who later made their political biases publicly known, managed to use that national program as a vehicle for inoculating Canadians with the virus of their own social and political whims. We must not permit the "This Week Has Seven Days" syndrome to be resurrected. It was the flagrant abuses of this program that led to the new Broadcasting Act, which required that a proper balance be maintained in Canadian programming. We need to build a workable world, not let it be torn apart by the negative antics of a minority group.

• (1630)

The price of all freedom is responsibility. If we are ever to achieve any worthwhile measure of national unity, the press and the electronic media must also accept their share of responsibility. For the sake of national unity, they should come together and work out voluntarily an agreed framework of standards, limitations, and guidelines to achieve it.

We cannot expect to accomplish much in the way of national unity unless we work much harder than we have done in the past to bring about greater harmony between industry and government, and especially between labour and management. Honourable senators will recall that the last act of the old Parliament was to legislate an end to the dockworkers' strike in Vancouver. Our Finance Minister, Mr. Turner, has told us that last year over 5,750,000 man-days were lost due to industrial disputes in the five-month period from April to August. This was more than double the number of man-days lost in the whole of the previous year.

This continuous confrontation between employers and employees, each regarding the other as adversaries, and even as enemies, is really a form of class war. Instead of unity it perpetuates division, and this is a tragedy because the welfare of each depends on the other, and the welfare and prosperity of Canada depend on both. Nobody gains from this kind of conflict and in the end everybody loses.

We must not lose sight of the fact that there are in our midst professional agitators who have no interest at all in the welfare of the workers but who for their own reasons seize on every opportunity to create industrial strife, set employer against employee, and thus keep the pot of turmoil boiling. Very often these individuals attain positions of influence in the labour movement by default. The workers themselves, therefore, have a great responsibility to see that this does not happen, and they can discharge that responsibility by full attendance at meetings, by insisting on democratic procedures, and by electing only responsible persons to positions of leadership.

The public sector has suffered from strikes and threats of strikes by postal workers, air traffic controllers, and others. The provinces have been plagued with strikes by teachers, nurses, hospital attendants, hospital technicians, police, firemen and other groups employed in essential services.

It is well known that gains from strikes are usually minimal. Mr. H. J. Clauson, Vice-President of the Steel Company of Canada Limited, has stated that at an average of $4 an hour, in order to break even over a period of two years, an employee for every week on strike would have to get four cents an hour more than he could have got without a strike.

Public opinion polls and other surveys indicate that the general public has become fed up to the teeth with strikes, and is in a mood to prohibit them altogether. It is imperative, therefore, that a working alternative be found and, as a good employer, it is fitting that the federal government should give leadership in this respect. That the government will have an opportunity to do so is indicated by the paragraph in the Speech from the Throne which reads as follows:

> You will be asked to amend the Public Service Staff Relations Act and the Public Service Employment Act.

This legislation, which gives public servants a choice of either accepting binding arbitration or of using the strike weapon, obviously has not been working very well. At the time these acts were passed, a large section of the public held the view that giving civil servants the right to strike was a terrible mistake, and some of us who voted for it did so with some misgivings but hoped optimistically that time would prove them wrong.

However, the thirty years of strike-free experience of the Tennessee Valley Authority, and the forty years of good British public service employee relations, is ample evidence that there is an effective and workable alternative to the strike weapon. That alternative is known as voluntary binding arbitration with fair comparability with the better parts of the private sector. The word "voluntary" means that the government and the organization representing the public service employees voluntarily agree to accept binding arbitration.

This alternative has been described by Dr. A. W. R. Carruthers as "an idea whose time has come." Dr. Carruthers, former Dean of Law at Western University and now President of Calgary University, is one of the foremost authorities on employee-employer relations and labour legislation in Canada. He was also a member of the national task force on labour relations.

Good employer-employee relations require mutual trust and confidence between employee organizations and employers. This can only be developed from a genuine concern for employee problems plus machinery to facilitate good communications and effective consultations, whereby grievances can be remedied long before they reach crisis proportions.

Both our legislation and the highly successful British public service system are based on the findings of the Priestley Royal Commission of 1953 in the United Kingdom. The British system, however, is superior to ours in several important respects. For example, their concept of fair comparability is fair to the taxpayer and fair to the employee, and to achieve that they use as a yardstick what is called the "good employer" system. In other words, they use as their yardstick the upper segment of the private sector, whereas the Canadian yardstick is the average employer—the average of the worst and the best of the private sector.

The Canadian government has not responded to a request from their employee associations, made some years ago, for the establishment of an "expert commission" to interpret the meaning of "fair comparability" for negotiators. Our federal government has also been much more reluctant than the British to leave the final decision on pay to a single arbitrator.

Furthermore, the Canadian government adopted a much more restrictive consultation system than the wide ranging British system, and consequently federal negotiating authorities have tended towards the negative adversary approach used by the private sector.

Probably the most modern and enlightened legislation of this kind in Canada is entitled "The Civil Service Act, Amendments to Regulations and Negotiation Procedures," passed by the Prince Edward Island Legislature on November 22, 1972. This act, which was arrived at by joint agreement between government and civil service organizations, embodies all the best features of the British system and of the collective bargaining laws of the State of Michigan and New York City.

• (1640)

In revising the two acts referred to in the Throne Speech, the federal government would do well to draft legislation adopting the principles and machinery embodied in the Prince Edward Island Civil Service Act, and to encourage other provincial governments to do the same.

The Throne Speech references to measures for improving social security programs will be generally welcomed, and I should like to express my personal pleasure at the reference to the guaranteed annual income. Time will not permit me to deal with these now, but there will be an opportunity to do so when the legislation is before us. These are all measures that will contribute to national unity. There is, however, one point that I consider essential to unity which seems to have been overlooked. I refer to the distribution of wealth.

Our economy operates within the framework of the free enterprise system, but unfortunately our free enterprise system operates in such a manner that poverty is one of its by-products. So far our social security measures, our various types of income transfers, have not been able to remedy this, and personally I doubt whether the improvements foreshadowed in the Throne Speech will do so either. The trouble seems to lie not so much within the system itself as in the way it operates.

If honourable senators will refer to the income group distribution table on page 15 of the Senate Report on Poverty, they will see that in 1951 the lowest fifth of non-farm families received only 6.1 per cent of the wealth produced in Canada, whereas the highest fifth received 41.1 per cent. In 1967 the corresponding figures were 6.8 per cent and 38.5 per cent. That means that over a period of 15 years, the percentage of total wealth produced received by the highest 20 per cent of our income groups decreased by only 2.6 per cent, and the percentage received by the lowest 20 per cent remained almost stationary, having increased by only seven-tenths of 1 per cent. The same situation obtains in the U.S.A.

It is obvious, therefore, that our social security programs—relatively generous as they may appear—are not doing very much to remedy the gap in income distribution.

This problem is also related to national unity. It must be tackled sooner or later, and the sooner we can come to grips with it the better because both here and in the U.S.A. each succeeding generation is better educated and more sophisticated than the previous one. They are already challenging the systems, values and principles that we have taken for granted. They are interested in the "why" of things and, personally, I think the time will come when such a wide gap in the distribution of wealth will no longer be tolerated.

Nobody seems to know the answer to this problem. Transfer payments over the years have had little or no impact upon it, and with accelerating living standards and living costs it is doubtful whether the guaranteed annual income can be implemented fast enough to correct it.

The present energy crisis in the U.S.A., which experts predict will last at least for 12 years, is a perfect example of what happens when we use up our energy resources at the exponential rate. What we must realize is that we are depleting a lot of minerals and natural raw materials at the same exponential rate, and sooner or later we will be faced with the same kind of crisis with respect to water, iron, copper, mercury and other materials as we now have with energy.

It is obvious, therefore, that industrial countries will be forced sooner or later to curtail the rate of industrial expansion and will have to become much more conservation-minded with regard to raw materials, and will have to place greater emphasis on finding suitable substitutes. When we add to that the measures that must be taken to protect our environment, it can be seen that our private enterprise system will have to make some very drastic readjustments in the not so distant future. Perhaps what is needed is a new philosophy and new sets of principles to replace the worship of the gross national product which has been the governing factor to date. These are all matters of the gravest concern to Canadians, and perhaps the Senate would do well to have them studied either by the Special Senate Committee on Science Policy or some other committee.

Honourable senators, I have restricted my remarks to matters related to national unity. Much more could be said, but I will conclude by expressing my support for the motion before us, and my thanks to you for your very patient hearing.

Hon. Azellus Denis: Honourable senators, when she was asked to comment on her appointment to the high office of Speaker of the Senate, Senator Fergusson said, "I'm just a person." She said that her efforts would be used to render the Senate even more effective and useful, and I would suggest, since the Senate seems to have become the only stable public institution in Canada in recent years, her efforts might prove fruitful indeed.

Our Speaker wants to be the link between Canadian people of all ranks and creeds; in short, the symbol of harmony between Canadians. I think we should add that she is a woman of great talent and charm; in fact, she has been one of the most active and efficient workers in the

Senate chamber as well as in many of the numerous Senate committees.

May I say that for us she represents the merit system: the true democracy which allows equal opportunity for both sexes in this land of ours.

• (1650)

[*Translation*]

I wish to extend to you, Madam Speaker, my warmest congratulations and my wishes of good health.

Honourable senators, I also extend my sincere congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne and would like to commend particularly their worthwhile contribution to our proceedings. Their constructive speeches showed a thorough knowledge of the matters dealt with and were delivered with much eloquence and relevancy.

Honourable senators, the beginning of this session is stamped with deep sadness. We deplore the loss of three statesmen who devoted their lives and their great abilities to their country, on battlefields as well as in political life. I will merely add a word about the one whom I knew more closely and who liked to be called "Mike" despite the fact that he deserved our full respect. He was a great-hearted man who had remained humble in spite of the glory and honours bestowed upon him in recognition of his talents and his merits and who like you, Madam Speaker, used to say: "I'm just a person." Not only Canada mourns him, but the entire world has lost an apostle of peace and justice. I thank the leaders of the Senate and the Opposition as well as Senators Grosart and Manning for having so well recalled some of the many achievements of those statesmen at the national and international levels and for having conveyed on our behalf their sympathy to the bereaved.

Honourable senators, the Speech from the Throne which we are asked to approve, includes a series of beneficient provisions for the Canadian people. Judging by newpapers reports and talks throughout the country, those provisions meet general approval; they should also meet the approval of opposition parties if only because they accuse the government of having stolen their platform.

To be fair, we must however note a slight difference as regards the Conservative opposition: once again, the Quebec lieutenant does not agree with his leader. The member for Saint-Hyacinthe condemns the government for stealing a lot from the opposition platform, while his leader claims that the Speech from the Throne is a vague document without any national priority. I submit, however, that though in disagreement they are both wrong.

Hon. Mr. Flynn: No concession.

Hon. Mr. Denis: Indeed, the Leader of the Opposition cannot claim that the Speech from the Throne is vague and does not set any priority while this is plainly written in it, and I quote:

[*English*]

—the Government assigns the highest priority to two policy areas:

—economic policy, to reduce unemployment, contain inflation and strengthen the economy generally

—social policy, to bring about, in consultation with the Provinces, a re-organization of existing social security programs.

[*Translation*]

To reach these objectives, numerous and concrete measures are announced and they have generally been clearly understood and welcomed by the Canadian people—somewhat less by the Leader of the Opposition. If the speech had included details concerning each of these measures, we would still be reading it, and that would be contrary to practice and custom.

Far from stealing from the opposition platform, we note in the Speech from the Throne that most of the measures advocated are changes, extensions, improvements and applications to existing laws passed by this government if not by a previous Liberal government.

Honourable senators, I shall conclude my remarks with comments published in a special bulletin issued by the Canadian Chamber of Commerce concerning economic growth and consultation with the provinces. I shall quote a few excerpts from this bulletin:

[*English*]

"The Speech from the Throne is a statement of intentions which merit the serious consideration of Parliament and all Canadians", said John Ellis, President of the Canadian Chamber of Commerce.

". . . However, only by vigorous economic growth can this country afford and support continued sound social advancement."

"This Chamber also is pleased to see that there is a desire for more open consultation with the provinces to develop a consensus on the vital economic and social issues facing the country", Mr. Ellis concluded.

[*Translation*]

I think that this bulletin summarizes admirably well the part of the Speech from the Throne dealing with national economy and linking its growth with consultation and coordination between the various levels of government.

Honourable senators, as it is production which generates employment, markets are needed for that production to be sold and increased here and abroad if we want unemployment to be reduced.

Positive measures have already been taken for that purpose by the present government at both national and international levels. And a whole series of measures designed to spur, stimulate and develop the economy is added. Enumerating them all would take too long, but may I be allowed to stress a few.

[*English*]

—measures to provide more jobs immediately by strengthening and broadening existing programs

—increased funding for the Local Initiatives Program

—increased funding for on the job training

—a substantial seasonal capital works project

—measures to enable industry to take advantage of opportunities for increasing our foreign trade

—aid to small businesses through new initiatives

—measures to assist in the development of the tourist industry in Canada

—The Department of Regional Economic Expansion will be decentralized to a greater degree to be in a better position to identify opportunities for economic development

—incentives and assistance for housing and home-ownership

—amendments to the Export Development Act, increasing the capital of the Export Development Corporation and raising the financial ceilings for lending, guarantees, export insurance and foreign insurance operations.

By the way, the Export Development Act was proclaimed in force in 1969, and it established the Export Development Corporation. The growth of the corporation's long term financing has been spectacular to the degree that in 1972 it amounted to $280 million. The outlook for 1973 is for a still greater rate of increase.

[*Translation*]

Honourable senators, in order to achieve such goals, this government intends to have continuous consultation with provincial governments in order to coordinate all the efforts of those who govern. If you read the Speech from the Throne, you will find that desire for consultation, co-operation and coordination expressed more than a dozen times. This is indeed an invitation to those governments to do likewise.

Should there have been in the past a lack of consultation between public bodies and refusals to compromise and co-operate—for whatever reasons—the federal government was not the only guilty party. I would like to give two examples among many others: the refusal on the part of some provinces to benefit, for a time, from excellent legislation on hospital and health insurance, and that to the detriment of the people in those provinces. Another example: a provincial law requires construction workers to take holidays in the height of summer, thus depriving them of substantial wages and consequently of higher unemployment insurance benefits during the dead season. Without that legislation, more people would work during summer, more houses would be either built or repaired and suppliers of all kinds would surely benefit from it. Anyway you look at it, more than a month of productive work is thus lost, for nobody starts building a house two weeks before the holidays, and there is surely another delay after the return to work. There are many people who indefinitely postpone such projects because of fall or winter weather.

Honourable senators, giving work to people should be everybody's business and so should be providing for health and welfare. Employers and unions should also assume their responsibilities so that our Canadian products may compete on foreign markets, which would increase our production and create employment.

[*English*]

In answer to a question asked the other day by the honourable Senator O'Leary regarding inflation, it is obvious that nobody likes the high cost of living but I must remind the honourable senator that Canadian prices from 1968 to 1972 have been more stable than those in most other industrialized countries. The average yearly percentage increase from 1968 to 1972 exclusively was: Canada, 3.7 per cent; United States, 4.9 per cent; Japan, 6.1 per cent; France, 5.5 per cent; Germany, 3.4 per cent; Italy, 3.5 per cent and the United Kingdom, 6.5 per cent.

• (1700)

As you will notice, we did not do so badly after all. And may I add that during the same period the salaries of Canadians increased by 55 per cent which compensates in a way for the high cost of living. Also, during the same period of time, sales have increased by 43 per cent and savings are three times higher.

[*Translation*]

Nobody is delighted by the number of unemployed announced by Statistics Canada, but I wish to point out that more than half these unemployed have one, two or more members of their family working. May I add that, between 1965 and 1970, the number of new jobs created in Canada was higher than the total number of jobs created in Belgium, France, Germany, Italy, the Netherlands, Sweden and Great Britain altogether.

Hon. Mr. Bourget: Hear, hear!

Hon. Mr. Denis: The Speech from the Throne calls on all available forces for the understanding and goodwill of governments, unions, management and public service in order that our fellow citizens who are able to work may find a job and those who cannot work may receive adequate assistance. However, very few nations indeed take better care than does Canada of their jobless and handicapped, and it has been years since we last saw beggars on our streets and queues of people waiting for a bowl of soup in front of our charitable institutions. But the government can do more in this area, and it will, through the proposed measures.

Thus, our economy will be more prosperous, and as a result it will be possible to improve the lot of those who are unable to provide for themselves. The government is determined to accept any reasonable compromise in the interest of the people of Canada and calls on all the provinces to do likewise.

In the past, honourable senators, minority governments have achieved some great things. So will the present government, if its work is not hampered by filibusters and useless votes.

On motion of Senator Molgat, for Senator Everett, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, January 18, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Public Service Staff Relations Board for the fiscal year ended March 31, 1972, pursuant to section 115 of the Public Service Staff Relations Act, chapter P-35, R.S.C., 1970.

SCIENCE POLICY

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Maurice Lamontagne, Chairman of the Special Committee on Science Policy, pursuant to Rule 84, tabled a report of the expenses of the Special Committee on Science Policy incurred during the Fourth Session of the Twenty-eighth Parliament.

[*Translation*]

Hon. Mr. Flynn: I have a question for Senator Lamontagne. Does this report cover only the Fourth Session or does it cover the period since dissolution of Parliament?

Hon. Mr. Lamontagne: It covers the current fiscal year, providing also expenses until the end of March next year.

Hon. Mr. Flynn: March 1972?

Hon. Mr. Lamontagne: 1973.

Hon. Mr. Flynn: I see. My honourable friend did not use quite the right expression and means from the beginning of the fiscal year to date, I suppose.

Hon. Mr. Lamontagne: I think we shall have to check from the report which was handed to me about two seconds ago.

Hon. Mr. Flynn: We could have left you until next week for the tabling of the report.

Hon. Mr. Lamontagne: Unfortunately, I shall not be here next week because I have to attend a meeting of the Rome Club.

Hon. Mr. Flynn: That is unfortunate for us.

[*English*]

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, January 23, 1973, 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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. Douglas D. Everett: Honourable senators, in rising to take part in this debate I should like first of all to add my congratulations to those of every other senator who has spoken on the appointment of Madam Speaker to her position. She is a woman who I know will perform her duties with grace and with dignity, and with the unfailing good humour that she has displayed in all the years that I have known her.

Hon. Senators: Hear, hear.

Hon. Mr. Everett: I should also like to express my admiration for the speeches made by the mover, Senator Hicks, and the seconder, Senator Lafond, and to welcome the recently appointed new members to this house. I had hoped, having been here for six years, that in time I might move down from the back benches perhaps a little closer to the seat of power, but if they keep appointing privy councillors at this rate I will never leave this back bench at all.

Hon. Mr. Connolly (Ottawa West): That is where the power lies.

• (1410)

Hon. Mr. Everett: Honourable senators, before I proceed with my remarks, I should like to draw to your attention the fact that we are honoured today by the presence in the gallery of the Minister of Financial Institutions, Companies and Cooperatives of the Province of Quebec, Mr. William Tetley.

Hon. Senators: Hear, hear.

Hon. Mr. Everett: We are indeed pleased that Mr. Tetley has chosen to observe our debate even before he has gone to visit the other place. We take precedence. I hope that I will not bore him too much.

Honourable senators, I should like to deal with one area of the Throne Speech, an area for which the government has expressed the highest priority, that is, the area of economic policy. It states that this priority must be to reduce unemployment, to contain inflation, and to strengthen the economy generally.

In the Throne Speech the government states that it has four main objectives—to expand job opportunities as rapidly as possible, to bring our growth rate closer to potential, to attain reasonable price stability, and to assure that all regions benefit from an expanding economy. It is very difficult to quarrel with those objectives; but, in a sense, they are very conflicting objectives. The trick is not really just to express them but to know how to balance them to achieve the best out of each of them.

The first area, and the one which I think the government sees as the most important, is the area of unemployment. According to the last statistics, our seasonally adjusted unemployment rate in Canada was 6.8 per cent. In the Senate Finance Committee Report of roughly a year ago we recommended an interim rate of 4 to 4½ per cent. What the 6.8 per cent then means is apparently a great deal of misery, and the possibility of a loss of potential output.

On the other hand, if you stop to consider it, there have been basic changes in our economy. We now give the unemployed a far higher degree of protection, probably, than any other country in the world. We are all aware of the terms of our unemployment insurance. We have medical security and many different legislative acts to take care of and to reduce the harm of unemployment. In addition to that, we have had a tremendous growth in the service and technological industries, resulting in an increased participation rate particularly of women and young adults.

So today we find the possibility—and the very real possibility—that employment is a great deal more conditional than ever before and that people are moving into the ranks of the unemployed for terms that they would not have considered before, but because of the protections they are offered and because of the conditional quality of their own lives they can do this without serious economic upset to themselves.

So the plain fact is that we cannot just say that 6.8 per cent unemployment is a disaster, not until we know a great deal more about the meaning of this figure. What are its elements? What about the tremendous difference in the size of the regional figures as between, say, Ontario and some of the Maritime provinces? What about the differences in the unemployment rates between adult married men who are heads of families and young adults between the ages of 14 and 19 years?

In short, we have to know whether there is not a better definition of the term "unemployment," and we have to find out anew what constitutes full employment. The dangers of not knowing this, and of not knowing it to a far more precise degree, are that we can take measures to reduce that 6.8 per cent level but, in fact, we may be reducing a regional market that is tight, a particular segment of the figure that is tight, or we may be trying to reduce the total figure below what is, in fact, a full employment figure. The danger is that we could be overheating the economy and could be in danger of causing a serious inflation.

Now, it is true that if everyone is not working we are somewhat below our basic total potential line, but what we have to assess, again, is what is the cost of closing the gap between a full employment, which still leaves a gap, and the absolute potential of no unemployment at all. So until we know more about the basis of these unemployment statistics we are in danger of badly overheating this economy.

I should like to suggest that the problem in Canada today is not unemployment; the problem is inflation. We are enjoying a solid growth rate in Canada. Our excess capacity is being utilized. Demand is high. In some areas shortages are developing and investment is increasing at a very rapid pace. It seems to me that, really, what we should be doing is beginning to dampen our economy; because the demand is there, the growth is taking place, and there is a sufficient demand to ensure that the supply problems will be taken care of. If we go on pressing this economy forward, the net result will be excess demand that no amount of supply will be able to satisfy.

• (1420)

Well, a lot of people say, "No, we are in a dilemma, whether you call it a dilemma of expectation or a dilemma of cost push; we are in a dilemma that cannot be solved by normal demand management methods. What we have to do now is to have wage and price controls. That is the only way in which we are going to resolve our problem." But I think we now have an evidence of how wage and price controls really work. I am speaking of the situation in the United States. They have made their controls work as successfully, probably, as anybody has been able to do so in a free enterprise economy.

What did they do? First of all they put on a freeze and through that freeze they denoted the resolution of the government of the United States to stop inflation as much as they were able to do so. Through the freeze they prevented firms and labour unions from raising their prices and wages before the control period started. Through the freeze they were allowed time to set up the Phase II operation. But the freeze worked, honourable senators, because it was basically a very short-lived operation which was soon replaced by Phase II or mandatory control.

These controls acted to dampen the expectations held by the public that inflation would continue. But they worked because they were initiated as the economy was beginning to come back from a recession, at a time when there was a large unused amount of productive capacity, and at a time when productivity was rising rapidly. Therefore the controls worked at that juncture. But as time went on, they found that they gradually had to relax them, and this is what they have been doing during Phase II. But despite this, serious distortions occurred in the American economy, especially, to cite one instance, in the lumber industry, so that now President Nixon has come to Phase III, or voluntary controls. In so doing he has maintained the backing of the public, business and more importantly, so far, the labour unions.

By moving in this direction he has allowed these distortions to be worked out, and yet he has kept his mandatory machinery intact, and by maintaining it in the food and health industries and to a lesser extent in the construction industry, he has given a strong indication that the machinery will be used if necessary. He has also set a guideline to reduce inflation to 2½ percent annually.

What can we learn from the United States experience? First of all, that rigid controls result in distortions that no economy can live with over a period of time; secondly, as the economy heats up, controls become less and less effective; and thirdly, that controls are no substitute for sound monetary and fiscal policies.

What then would I respectfully recommend that this or any government do at this juncture in economic matters? First of all, in terms of monetary policy I think we ought to steady the growth of money supply now and at a more

restrictive rate than at present, even if we risk certain variations in interest and exchange rates. Fiscal policy must conform so that it does not frustrate monetary policy. What that requires is that the government move now to a balanced budget.

As far as wage and price controls are concerned, it is interesting to note that United States experience and action endorses and follows, to a large extent, the Finance Committee Report on Growth, Employment and Price Stability. Rigid controls will not work as the economy expands beyond equilibrium. What really is required in the wage and price control area is a federal-provincial stabilization body that sets targets for growth, unemployment and inflation and takes vigorous action in the manner proposed under the American scheme against egregious increases that are out of line by any reasonable standards.

The other course I suggest is that we make an examination of employment, unemployment, and full employment in Canada. As I said before, we must know what the constituent elements of the figures are and what figures should guide us in setting our economic policy as far as unemployment and inflation are concerned. And most important, what is the definition of full employment?

Taken together, I believe these policies could result in a balance, and the very balance the government says it is seeking. The fact of the matter is they will take time, they will work but they require restraint, both on the part of the government and the Opposition parties. But that restraint is essential if we want a balanced, growing economy.

I make just one more plea beyond that and that is for a greater degree of long-range planning. We have had tremendous growth in Canada in the size of government, in the size of corporations, and in the size of labour unions. This growth has removed much of the uncertainty that surrounds economic life and for that we can be extremely thankful.

• (1430)

Nevertheless, we have not been able to contain the built-in inflationary pressures that this growth in size of these constituent elements of our economy has created. Unless we do that the normal methods of controlling an economy through demand-management policies will fail. So I would make two or three more recommendations: one, that we as legislators increase our vigilance over the growth of government and the amount of resources that it is taking out of the economy; second, that we provide a national and international competition policy for the large firms and for all firms within our economy; third, that we eschew ad hoc solutions to the economic problems that confront us. This, probably more than anything, is at the basic root of the problems that we have with our economy. Something goes wrong, the Opposition calls for an answer, the government provides an answer so that goes onto the statute books and probably remains there as another distortion to the economy. Finally, that we start to plan on the basis of tomorrow's technology, instead of trying to transfer what we have today into a new field. For example, the government has stated in the Throne Speech that it wants to improve the industrial base of Western Canada. Well, this is something I can heartily endorse, but I do not know that I can endorse the concept that we merely move secondary manufacturing, as it is known today, into Western Canada. Rather I would endorse a concept that says there are labour-intensive new technologies and businesses coming along that involve a great deal of technology that could be organized in the West rather than in central Canada. That is what I mean by taking care of the problem on the basis of future planning and future technology.

Honourable senators, I have dealt with one aspect of the Throne Speech and suggested courses that may or may not be acceptable to the government. I think, however, that they are courses that, while hard to follow, in the long run will grant us the kind of economy that is so well expressed in the Speech from the Throne.

Hon. Mr. Laird: Might I ask the honourable senator a question. As I understand your thesis, ultimately you would hope to achieve results in the field of wage and price controls by some sort of federal-provincial co-operation. Now, did you have in mind a body that could exercise sanctions, or were you merely thinking in terms of publicity, such as we suggested in the report of the Standing Senate Committee on National Finance?

Hon. Mr. Everett: I do not think, honourable senators, that one should underestimate the effect of an examination of wage and price increases, and the resultant publicity that might come from such an examination. However, I think that such a body should have teeth, and to make them effective there should exist the right to roll back. Bear in mind that I am not talking about a mandatory control system in the sense of a guideline that must be met. I am saying that the guideline should be one of what sort of price performance we can expect overall for the good of the economy. If someone acts in such a manner as to go so far beyond that guideline that he sets a pacesetting increase that others tend to follow, then such a committee or group should have the right to roll that price on wage back.

Hon. Mr. Laird: Would you not have constitutional problems in carrying out a proposition of that kind?

Hon. Mr. Everett: No doubt there would be constitutional problems, but I do not think the difficulty would be as great as some people might think. Studies have been carried out which indicate that under certain clauses of the Constitution we might do it without reference to the provinces. Nevertheless, even if we could not, the problem can most certainly be resolved if that is what the people want. I think we shall find that if we cannot contain inflation, people will want some sort of resolution to follow.

Hon. Hervé J. Michaud: Honourable senators, it gives me great pleasure at this time to join with those who have preceded me in offering congratulations to Madam Speaker on her appointment to the high office which she now occupies.

Madam Speaker, your appointment has also brought great joy to your colleagues from New Brunswick. It is an honour which is reflected upon the entire province which you have represented in this house with such dignity, ability and devotion during the years you have been a senator.

• (1440)

[*Translation*]

I also wish to congratulate the mover and seconder of the Address in reply to the Speech from the Throne, Senator Hicks and Senator Lafond, for the great competence they exerted in discharging their respective tasks.

I am pleased to associate myself with previous speakers in cordially welcoming our new colleagues in this house.

The opening of this new Parliament on January 4 was preceded by an event which plunged the entire Canadian nation into deep mourning. The death of the Right Honourable Lester B. Pearson not only left a gap in the hearts of all Canadian citizens, it also caused great regret among all the peoples of the earth. Everyone will remember him for these great qualities that made him a great Canadian and a diplomatic genius. The weak will mostly remember him for his highly humanitarian feelings which inclined him naturally towards the underprivileged. Acadians will also remember Mr. Pearson as the man who cared for the needs of minorities. In my own name and on behalf of all those I represent in this house, I offer my deepest sympathies to Mrs. Pearson and to his so sadly bereaved family.

I have just used the word "Acadians." This brings me to remark at this point that I am often asked why we, French Canadians from the Maritimes, insist on calling ourselves "Acadians" rather then "French Canadians." I should like to deal with this matter now.

To use a well-known expression, let us say that Acadians are also French Canadians, but "different" French Canadians. It is important to recall a few historical facts, although the broad outline of the history of Acadia is rather well-known. The first Acadian colony, far back in 1604, was established on the Island of Sainte-Croix in the Bay of Fundy, New Brunswick, near the American border, close to the state of Maine. This first undertaking was a failure, and the following year the colony settled at Port Royal, now Annapolis, Nova Scotia. The first chapter of the history of Acadia covers the period from 1605 to 1713, that is from the arrival of Champlain and de Monts at Port Royal, until the Treaty of Utrecht which, in 1713, transferred the colony of Acadia to England. That was a period of pioneering and independence, but also a period of isolation. This first isolation experienced by the Acadians was a geographical one; they had settled away from their families whom they had left behind, from their motherland, and also from Canada where another French colony was expanding. Acadia first extended to the west and to the east of the Port Royal settlement, over areas now known as Digby county and the Annapolis valley. Later, Port Royal settlers moved out towards the Mines Basin, where their best known hamlet was no doubt Grand Pré. But Acadians did not stop there; they went on towards what they called Népisiguit, today the town of Truro. From Truro, they moved on towards Beaubassin, which is today the town of Amherst, then towards Memramcook, in the south-east section of the province of New Brunswick. Later, other Acadian groups settled on Île Saint-Jean, now Prince Edward Island, and on Cape Breton. It should also be pointed out that the Acadian colony had nothing to do whatsoever with the Canadian colony. They had their own governor and were not always as fortunate as Canada. Therefore, right from the early days of their history the Acadians were subject to influences different from those which affected their French-Canadian brothers in Canada. Those peculiar influences were even more significant following the Treaty of Utrecht which, as I already mentioned, handed the colony of Acadia over to England in 1713. The isolation of the Acadian people which, from the start, made them feel most miserable was to become even greater. Officially separated from France and Quebec from 1713 to 1755, the Acadians in addition to their geographical isolation also went through a period of political and moral solitude. No help could come from France or Canada.

Finally, in 1755, the Acadians reached the third stage of their history, exile. The separation that the Canadians of 1755 were subjected to exceeded anything their ancestors ever had to suffer when they were isolated from France and the other French settlements of America, because exile meant being torn away from their native land, seeing their families broken up and not knowing what the future had in store for them. This separation was the worst of all. This phenomenon of isolation which lasted through different stages for a century and a half was no doubt one of the most determining factors in the formation of an Acadian image.

It is often said that the Acadian is shy, suspicious, introverted—at least until now—but how could it be otherwise? After the exile came integration to foreign lands, the return to France, the great venture in the forests leading back to St. Mary's Bay or the Memramcook Valley. Some 3,000 or 3,500 made it back to France; several perished at sea; a small group was forced back into the bushlands around Chaleur Bay, the Gaspé Peninsula and Quebec City; another group estimated at roughly 200 families found their way back to old Acadia. About 30 families settled down in the Fredericton area on the Saint John river. They had no legal claim to their lands and had to give them up with the arrival of the Loyalists.

Those Acadians, once more driven out, headed north. They settled what is now the region of Madawaska. The remaining ones went on to Memramcook. Several of them stayed there; these families were the ancestors of the Acadians now living in the Moncton, Shediac and Kent areas. Some fifty families elected to push ahead and settled around St. Mary's Bay. Other refugees came directly to this area by boat. They were the ancestors of most Acadians who live at present in that same area.

Earlier, the Acadians who had hidden themselves in the woods close to their lands had decided to try their luck in northern New Brunswick. They were joined by the deported who had managed to come back to Gaspé; they were the ancestors of Acadians who live in the Bathurst area.

All these events took place between 1764 and 1780. But these Acadians who were coming back home had no hope of finding their homes and lands unspoiled. For the next two or three generations, they joined together as best they could, living in the worst state of destitution, having only one purpose in mind, that of being forgotten by living isolated and forsaken. That was perhaps the most pathetic part of the whole Acadian adventure. Indeed, in that century of silence and incubation, between 1780 and 1880,

like bees, or like ants which do not even buzz, a new community built its hive, or dug its nest, cleared its land, surrounded itself with dikes, searched the sea for its food. Gradually, they pushed a little further, in order to find better conditions. Then they met new families, old friends, or friends' relatives and they told one another their story. They remembered. For one century of silence, along the shores, or in the midst of woods, Acadians coming back to life have had plenty of time to revive their oral traditions and to live them out. And this little community that had refused to die, was totalling 8,432 people in 1803, according to the notes written by Monseigneur Denaut, the then bishop of Quebec City, after visiting Acadian settlements. And life went on like this, feverishly, but also resolutely, until the day when at last someone dared to officially proclaim the revival of the Acadian people. That was in 1881, on the occasion of the first Acadian congress held in Memramcook, New Brunswick.

• (1450)

From that time on the Acadians began to live as a distinct entity. It is at this congress that, so to speak, they woke up to establish their own identity and their own heritage. I would like to remind this house of two facts which in addition to their historic interest have a special interest for this house.

Among the delegates attending this first Acadian congress in 1881 was a young man by the name of Pascal Poirier. He was the president of the first Commission at this congress whose responsibility was to choose and adopt a national day for the Acadians of the Maritime provinces. Mr. Pascal Poirier was the first Acadian to become a senator and he was a member of this house from 1885 to 1935.

Another fact to be noted: in his speech to the first Acadian congress Mr. Pierre Landry described the total Acadian strength:

> In our province (New Brunswick) we have eight Acadian priests, one Acadian in the House of Commons, professionals, etc.—

This Acadian member of Parliament was named Gilbert Girouard and was member for the county of Kent. I might also add that the county of Kent was the only county to elect an Acadian member to the first Canadian Parliament following Confederation in 1867; his name was Auguste Renaud. But I would like to return to the Acadian congress of 1881. The main question was to give the Acadian people a national day.

There were two different opinions. On the one side were those who wanted a completely separate national day and who advocated Assumption Day on August 15. On the other side were those who wanted to maintain closer relations with the French Canadians in Quebec and who were advocating St. Jean-Baptiste Day, on June 24, which is, as you know, the national day of the French Canadians in Quebec. Following a lively debate on this question, the first Acadian congress, held in 1881, voted for Assumption Day as Acadia's national day.

Honourable senators, after this review of over two centuries, I am back at my initial proposition, namely, that the Acadians are French people who came from France as the French Canadians but whose customs, way of life and history are their very own.

[Hon. Mr. Michaud.]

In 1881, therefore, Acadia took its fate into its own hands. Progress since has been remarkable. The total Acadian population in the Atlantic provinces has increased from 45,000 in 1871 to 215,000 today, despite continual emigration to Quebec, Ontario and the United States. Although exact figures are not available, it is claimed that the total Acadian population, descendants of those first settlers who arrived in Port Royal around 1605 and the following years, is of some 1,250,000. But today as in the past "Acadian" means primarily the French population of the Maritime provinces. That population, in relation to the total population of each of those provinces, is distributed as follows: Nova Scotia: 12 per cent Acadian; Prince Edward Island: 17 per cent Acadian; New Brunswick: 39 per cent Acadian.

New Brunswick has the largest French group and consequently the best organized. The French element is predominant in four counties: Madawaska, Restigouche, Gloucester and Kent; it forms an important part of the population of the counties of Victoria, Northumberland, Westmorland and of the city of Moncton. In Nova Scotia, Acadians form the majority in the county of Richmond, in Cape Breton, and make up an important portion of the population of three other counties: Digby, Yarmouth and Inverness. However, those four counties include only 35 per cent of the population of French descent in Nova Scotia. The rest are drowned in the urban areas of Halifax and Sydney, or isolated in other counties. That is what explains the regrettable losses.

In fact, although there are 88,000 persons of French origin in Nova Scotia, only 51,000 of them speak French. That means a loss of 42 per cent. On Prince Edward Island the Acadians are grouped mostly in the county of Prince, but they are nowhere in the majority. There are 18,000 persons of French origin in that province, but only 10,000 of them speak French; there has been a loss of about 50 per cent. Those losses are sad but not surprising. What should astonish us is that so many Acadians should still speak French in spite of the many and great difficulties they had to overcome. While the French Canadian has always been master in his own house, the Acadian never was. The Acadian people had very modest beginnings. Its resurgence in 1880 was due to a dozen persons. For three quarters of a century now, it has been kept alive by a very small group. The Acadian fashioned his own weapons of survival. Obviously, he had comforting support from Quebec. When he had no clergy, Quebec priests came to the rescue. Quebec orders founded his first convents, his first colleges. Today, the Acadian has his institutions, but he still needs support. With his distinct mentality, the Acadian built a heritage to suit his needs in 1881, heritage which separated him from French Canada. Today, one can wonder whether that heritage has not grown obsolete. His patriotism is becoming more positive, drawing strength from achievements in which he can take pride. Today, the Acadian realizes that even if his background is different, his turn of mind distinctive, his cultural future is linked with that of French Canada. There is a rapprochement which without trying to eliminate the word "Acadian" seeks to establish closer links with French Canada. The Acadians, mainly in New Brunswick, have their schools, their French university, a financial

establishment, the Mutuelle l'Assomption, which is to their credit, some well-established co-operatives, a system of credit unions extending to all Acadian parishes, French radio and television stations, French newspapers including the daily *L'Évangéline*, as well as their own organizations.

• (1500)

The Acadians who did not take part in the negotiations which led to Confederation in 1867 are now looking to the future in a new light. Confident that in the not too distant future they will become first-class citizens, the Acadians want to play the part to which they are entitled in the country where their forefathers were first to set foot more than three hundred years ago. It is their reason for existence.

Honourable senators, before ending my speech in this house on the Acadian fact in our country, I would like to mention two events which show to what extent the Acadians are firmly determined to preserve their identity, their culture and their rights. The first was recounted in every detail in three texts published in *L'Evangéline* in Moncton, in the November 27, 1972 edition.

First text:

> Fredericton (CP)—The leader of the Parti Québécois declared Friday that French-speaking minorities outside Quebec were "a lost cause". That statement from René Lévesque was made to New Brunswick University students who were asking him about the consequences of Quebec independence for the Acadian people.

Second text:

> "We shall not ask Mr. Levesque's permission". SNA administrative secretary Hector Cormier strongly reacted to the statements of the leader of the Parti Québécois. During a phone interview last night, Mr. Cormier declared: "If Mr. Lévesque could prove that French minorities outside Quebec are a lost cause, it would be an argument in favour of Quebec's independence. It is not the first time he makes such statements.
>
> The administrative secretary of the Société Nationale des Acadiens grants that there is still much work to be done before the Acadians secure all their rights, but assuming that tolerance and comprehension are displayed on both sides, the citizens of New Brunswick will learn to have regard for language and cultural differences".
>
> He went on: "Francophony is surely not a lost cause in New Brunswick. On the contrary, French life has been going through a revival in the province these last years and it is not about to stop.

Third text:

> Editorial: "Are the Acadian people a lost cause"?
>
> Parti Québécois leader René Lévesque just told New Brunswick University students in Fredericton that "The Acadian people are a lost cause". He even suggested that in an independent Québec, "young Acadians could become our preferred immigrants".
>
> Francophobes of Fredericton and New Brunswick must have been pleased with Mr. Lévesque's remarks. Now we have Quebec's foremost nationalist telling them what they have been suggesting for decades: The Acadians should assimilate and the government should stop wasting public funds on bilingualism.
>
> At certain periods of our history, we have experienced dark hours when the Acadians appeared on the brink of extinction. There were 45,000 Acadians in 1871. Today they number 215,000 despite emigration to Quebec, Ontario and the United States.
>
> The social, economic and educational conditions of the Acadians have sharply improved, particularly so during the 60s.
>
> It has been said that people have a soul. The Acadian people have a soul, a destiny and dreams. If over the past they have not succeeded in destroying the Acadians, it is not a René Lévesque who can order Acadians to fade away and merge with the Quebec people, not even if Quebec should ever become independent.
>
> The Acadians have settled twice in New Brunswick. We definitely intend to stay there, to grow and to prosper.
>
> For the Acadians, the future cannot but be full of promises. They are not dying, but full of life and optimism."

There is a second event illustrating the depth of the Acadian fact in this country. It is widely known that Moncton now finds itself in a situation which gives a very bad reputation to the city. This is due to the intransigence of the man who holds the office of mayor of this city. This situation boils down to a blatant abuse of power by this mayor who defies the law of his province and country in obstinately refusing to provide Acadians who make up one third of Moncton's population with the bilingual services they claim from its municipal administration. Acadians, of course, protest with all possible energy against this treatment which they consider unfair. In this they get generous support from many citizens and groups of the English-speaking population of this city, including the media, the newspapers especially, the same officers of the Board of Trade, many members of the area's ministerial association and even some city councillors. And how did the Acadians of Moncton choose to protest against such a revolting attitude? They assembled in full force in front of the city hall and in a public and symbolic ceremony they buried this secular myth called fear.

Honourable senators, such are the Acadians.

[*English*]

• (1510)

Hon. John M. Macdonald: Honourable senators, before I refer in a few minutes to certain items in the Speech from the Throne, I, too, wish to offer to our Speaker my sincere congratulations and good wishes on her appointment.

Your appointment is a high honour to you, Madam Speaker, and it is an honour you richly deserve. It is a public recognition of what your colleagues well know, that you possess in abundant measure those qualities so necessary in a Speaker—intelligence, knowledge, experience, good judgment, and an essential fairness. These are

all qualities which guarantee that you will preside over our deliberations with dignity, grace, and honour.

Honourable senators, while Senator Fergusson's appointment as Speaker is a source of satisfaction to all of us, yet it is even more so, I suspect, to those of us who come from the Atlantic provinces. We are gratified that once again our region has given to Canada yet another distinguished person to fill a high place in the parliamentary life of our country.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Indeed, it is a matter of pride to us that the Atlantic region has given so many distinguished people to the public life of Canada. Nova Scotia, just a small province, has already given three Prime Ministers to Canada—Sir John Thompson, Sir Charles Tupper and Sir Robert Borden—and I am one of the many who believe that before too long we will have still another distinguished Nova Scotian as Prime Minister of our country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Martin: May I remind Senator Macdonald that Mr. Bennett was also a Maritimer.

Hon. Mr. Macdonald: Yes, he came from New Brunswick. I was referring to the three Prime Ministers from Nova Scotia.

I should also like to congratulate the mover and seconder of the Address in reply. Both made excellent speeches; both performed their somewhat difficult tasks in a very commendable manner. I was especially pleased to hear the remarks of Senator Hicks. He and I were members of the Legislative Assembly of Nova Scotia at one time and I heard him give many fine speeches there. I was glad to hear that he has lost none of his ability to express himself in clear, lucid and eloquent language. I was pleased to note that he plans to speak at a later date on post-secondary education, because when he speaks on that subject he speaks with authority, being the president of one of the great universities of Canada.

Honourable senators, after listening to all the praise and to all the admiration and, indeed, all the glorification which has been heaped upon the Speech from the Throne, I hesitate to indulge in even some mild criticism of it. Yet I feel I should do so, if only to maintain some sense of balance and to show that we do not take the written word about good intentions as being accomplishments deserving of great praise and commendation.

I think it must be remembered that the government that prepared this Speech is the same government that failed to do any of the things during the last four years which it says it now wants to do. Its past record is a dismal one. Its past record is not one which deserves the trust and confidence of the Canadian people in the future.

Honourable senators, the Speech from the Throne itself is an interesting document. It is a long speech. It says much, and yet at the same time tells very little. From its contents it is obvious that a great effort, a very clever effort, has been made to help a discredited government cling to office. It uses a lot of words to cover up the failure of the government to solve the major problems facing Canadians. It is obviously designed and planned to appease as many people as possible who have lost confidence in this government by holding out that something better will be forthcoming once the government has emerged from the state of shock it went into on October 30 last. In my opinion, all the Throne Speech succeeds in doing is to destroy what little credibility the government managed to retain.

Let me bring some parts of that Speech to your attention to show what I mean. The Throne Speech lists four main objectives of the government in the area of economic policy. The first is:

> To expand job opportunities at a rate that will bring about as rapid as possible a decline in the numbers of unemployed.

Honourable senators will note the use of the word "decline." It is apparent that the government no longer has any hope, if it ever had any, that its policies will bring about full employment. It has accepted a defeatist attitude, and all it now hopes for is a decline in the numbers of unemployed. This, in my opinion, is an open and frank admission of the failure of its economic policies in the past, and an admission that it has no hope for the future.

Hon. Mr. Flynn: It is an open admission, but it is not particularly frank.

Hon. Mr. Macdonald: In the Speech from the Throne opening the Fourth Session of the Twenty-eighth Parliament in 1972, the government said:

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

It also said this:

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

And yet after all those brave words, this year the government has lowered its sights and has admitted its policies have not worked, and that now it only hopes for a "decline in the numbers of unemployed."

Honourable senators, this is not good enough. In my opinion the right of a person to work is a very fundamental right, and that right to work presupposes that work will be available. Over the years it has, I think, been generally accepted that governmental policies must be shaped and directed to the end that employment, steady employment, is available for those qualified. Again, this means that government policy must provide the training necessary to qualify those seeking employment, which often means retraining them, to meet changing conditions both in industry and other fields of endeavour.

To be fair about it, I know that the government has done good work in the field of training and retraining persons for employment. The tragic fact is, however, that in too many cases there is no employment for these people when the training is completed. I feel that we owe it to all Canadians to make employment available to them so that they can plan their futures with assurance and not be afraid that such plans will be of no value because of unemployment or the fear of it. I do believe—indeed I am firmly convinced—that unemployment is the greatest and most pressing problem facing us today. If it is solved

many of the other national problems will automatically be solved, or become of lesser importance.

• (1520)

On the past record I have no confidence in the ability of the present government to bring about full employment. What efforts they have made are commendable but ineffective—too weak and too timid. The Local Incentives Program, for example, has given employment but only very limited employment, sufficient to enable unemployed persons to draw unemployment insurance when LIP jobs are completed. Even in this endeavour the government has been too timid. A grant of a few thousand dollars here, or a few thousand dollars there, is often made for some local endeavour where a large, substantial grant, which would, for example, build a senior citizens' home, would be of lasting and permanent benefit, and would not only provide more and longer employment but also generate even more employment.

Honourable senators, from my remarks you may have concluded that I do not have much confidence in the ability of the present government to so stimulate the economy to provide full employment. If you have come to such conclusion I can only say you are right. I do not have any confidence in the ability of the present government to provide full employment—its record shows it cannot do so—and with about half a million people unemployed at any given time I think I am justified in my lack of confidence.

In another part of the Throne Speech it is stated the government will meet with the provincial governments in the five regions of the country to examine the impact of freight rates on economic development and consumer prices. It is further stated that the railways, very generously I suppose, have agreed to participate in these meetings. The Speech also mentions that the government is proposing that the governments of British Columbia, Alberta, Saskatchewan and Manitoba join with it in convening a conference on western economic opportunities, and one of the suggestions for a joint study is the improvement of the total transportation system. I make no comment on the calling of a conference on western economic opportunities while not having a similar conference on eastern economic opportunities. However, I do think is strange that in the Western provinces a study is suggested on the whole transportation system, while for Canada as a whole only the impact of freight rates on economic development and consumer prices is to be studied.

Indeed, I am surprised that after all these years the government does not have this information. I would expect there are qualified people in the government service who could give them this information, or if the information is not available in any of the departments of the federal government perhaps it is available from the provincial governments. I think the province of Nova Scotia could provide a great deal of information as to the effects of freight rates. Recently I saw a news report of a statement by Premier Regan of Nova Scotia, who is not unfriendly to this government, about freight rates. In a report carried by the *Chronicle Herald* of Halifax on January 9 he is quoted as calling for a complete overhaul of the Canadian freight policy, and charging that the present system is inadequate in developing any equality of opportunity for provinces such as Nova Scotia.

The report also states:

> Premier Regan said Nova Scotia had to lean heavily on international trade because of the lack of decent opportunity which now existed to allow it to compete in the Canadian market.

And:

> Premier Regan said changes were needed in transportation policy to help the Maritimes as well as the Western Provinces. He said he personally felt Nova Scotia's steel industry was suffering severely because of the present schedule.

Honourable senators, of course the matter of freight rates is of great importance to the Atlantic provinces, but I do believe it would be better to have a study made of the whole subject of transportation in all Canada. However, if the various governments, through a committee or commission set up by them, are to examine the impact of freight rates, with the railways participating, then at least the other services rendered by the railways should be included in the study. For example, it would be interesting to know what is the future or, indeed, the present policy of the railways in regard to passenger service. Do they plan to improve it or to downgrade it further? Why is it that in parts of eastern Nova Scotia a feeling persists that the CNR, the only railway there, discourages passenger travel so as to be able at some date to claim a reduction in service is justified? I do not claim that this is so, but I do know, for example, that the passenger service between the cities of Sydney and Halifax in Nova Scotia is not much as to encourage travel by rail. I will not go into detail at this time. It is sufficient to make my point, I think, when it is realized the best travelling time between these two cities by train is seven hours 25 minutes, and the worst is 11 hours 30 minutes, and the distance by rail is just under 295 miles. In my opinion we are entitled to a better service than this.

Honourable senators, I noted from the Speech that the government is proposing yet another study. It is proposing that a joint committee of the Senate and the House of Commons study the trend towards higher food costs. This study will be separate from that of the impact of freight rates on consumer prices. I suppose one should be charitable in these matters and at least be thankful the government has at long last realized or been made aware of the ever-increasing cost of food. I am surprised, though I suppose I should not be, that the government does not have available all the information that such a study will provide. Surely at this late date with food prices rising week by week it could be reasonably expected that even this government would be aware of all the factors which could cause such increases and would know whether or not the ever-increasing cost of food was justified. However, since apparently it is only now becoming aware of such increases and has no information as to the causes and has no policies concerning this important matter, then one can only hope a joint committee will formulate a policy for it in the very near future.

Honourable senators, one cannot deal with everything in the Speech but there are but two other items I would like to mention. One is that relating to the armed forces;

there is a very peculiar reference to the armed forces which I do not understand. Perhaps someone who does will explain it before this debate is concluded. I quote the item:

> The Government intends to widen the area of service to Canada open to personnel in the Canadian Armed Forces. In addition to maintaining a high degree of military capability as the primary and most essential role of the Forces, new emphasis will be placed on the many areas in which the varied skills and training of this large number of dedicated Canadians can contribute to the achievement of national goals.

Honourable senators, I ask again, what does this mean? It looks to me as if the government plans to use the armed forces to do work now being done by civilians or that can be done by civilians, and if this be so I can tell them right now they can expect vigorous opposition to their plans; employment is too scarce now without having what is or what might be available taken over by the armed forces.

• (1530)

The Speech also mentions that we will be asked to consider an election expenses bill. This is good. Over the past 15 years there have been seven federal elections alone and they are expensive. I do think the Nova Scotia Elections Act provides a sound precedent regarding election expenses. It sets a limit on what can be spent by a party and by a candidate. It also provides for the payment by the provincial government of a portion of such expenses. I think this is only right and proper. After all, the election expenses, or a fair portion of them, should be borne in the same manner as the expenses now incurred by the chief electoral officer. I hope, in view of all the circumstances, that the bill dealing with election expenses will be before us for consideration in the very near future so that it will be in force when the next election is held.

In my opinion the Speech from the Throne is a pathetic document. It tries to hold out some promise to everyone. It is obviously directed to further the main concern of the present government, and this is to cling to office. It is obviously following once more the idea that what is good for the Liberal Party must be good for Canada. It shows the old intellectual arrogance which has so long been a feature of this government. It tries to be all things to all people. Indeed, after reading it over a few times I thought there must be something else in it, that I must be missing something. Surely, I thought, there must be something in this Speech from the Throne, some kindly reference to home and motherhood. It is not there. And then it came to me that even this government would not have the boldness to speak of the home after loosening our divorce laws; it would not have the boldness to speak of motherhood after loosening the laws relating to abortion.

Honourable senators, believing as I do that the Throne Speech is a document calculated to enable the government to cling to office as a limpet clings to a rock, I find I cannot in good conscience vote for the motion before us.

Hon. G. Percival Burchill: Honourable senators, in spite of the fact that Her Honour the Speaker must be rather embarrassed by the many compliments and nice words that have been said here during the last few days, as a colleague from New Brunswick I cannot restrain myself from joining the chorus in saying we are very happy indeed to see her presiding over this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Burchill: I have been associated with the McQueen family in Shediac, New Brunswick and Her Honour the Speaker's late brother was a schoolmate of mine at Rothesay Collegiate. In fact, we roomed together. So, we have been associated for several years. However, I have always felt that Her Honour the Speaker held it against me since the time she came to the Senate, when our late colleague, the Honourable Arthur Beaubien, who was Whip at that time, enlisted my services to help him persuade the then new senator from New Brunswick to join the Divorce Committee. When we approached her with the proposition, she looked at me and said, "You know our church is opposed to divorce. What do you expect me to do?" We made a compromise and persuaded the late Senator Nancy Hodges, who came here at the same time, to join Her Honour on that committee. She spent some years as a member of the Divorce Committee, and gave good counsel and advice. I know her well enough to say that with her ability, conscientiousness, and capacity for hard work, she will preside over this chamber with great acceptation.

As a representative of New Brunswick, I want to say that we are proud of her. The last Speaker from New Brunswick was the Honourable Walter E. Foster, a former premier of that province, who occupied the Chair from 1936 to 1940. I join with my honourable friend from Nova Scotia in saying that we from Eastern provinces are very happy to have one of our colleagues preside over the deliberations of this chamber.

I also wish to welcome all new senators to this chamber. The only thing I can say to them is that I hope that in their tenure of office they have the same happy experience that I have had, and that they enjoy the fellowship and friendship that I have enjoyed over the years I have spent here in the red chamber. I cannot wish them anything more than that.

I add my congratulations to the mover and the seconder of the motion. They made excellent speeches. In fact, all the speeches have been of a high order.

Honourable senators, I do not propose to discuss the Speech from the Throne in my brief remarks this afternoon. However, under the heading of employment, or unemployment, I want to say a few words about a problem we face in the province of New Brunswick, namely, the deplorable state of our great industry, the industry upon which the economy of the province is based, our pulp and paper industry. As you know, 85 per cent of the land area of the province is wooded, and pulp and paper is our chief industry. But we are in deep trouble. The situation in 1970 and 1971 became so serious that the provincial government became alarmed, and appointed a commission with the following terms of reference:

> To assess the current economic condition of the pulp and paper mills operating in New Brunswick with special emphasis on those located in the northern part of the province.

This commission made a thorough inquiry and investigation of every plant in the province of New Brunswick

and I have before me its report which is now under consideration by the provincial government. I shall read one or two passages from that report:

> The entire pulp and paper industry in New Brunswick is suffering severely in the current economic environment. Nearly half of the mills reported net losses in 1970 and all report losses in 1971.

I am sorry to say that since this report was published one of these mills has been obliged to go into receivership. We do not want these mills to suspend operations because the employment situation in New Brunswick would suffer seriously as a result. Their costs are too high, and they cannot compete with their competitors in the United States; they cannot compete with their competitors in Scandinavia; and they cannot compete with their competitors in the constituency, which is represented by my friend Senator Lawson, on the West Coast where they seem to be getting along pretty well.

• (1540)

The whole Eastern industry, I might say, is threatened. The report goes on to say this:

> In each of the submissions to this Commission from the companies operating in the province, transportation costs—

And I underline the word "transportation."

> —transportation costs, particularly those of wood to the mills and product to market, were emphasized as being most onerous.

It is transportation of which I wish to speak; the costs of transportation of the products to the market. In the area in which I live on the Miramichi River, there are three pulp and paper plants, employing 2,800 people, with an annual payroll of $15 million. We know what prosperity is when those mills are operating at full production. The evidence is all around us, in both the countryside and the towns. Those industries, however, are threatened today on account of, as I say, the cost of transportation. One of the major costs arises from the fact that they are obliged to use small vessels for shipping their products to market, because the draft of the channel of the Miramichi River will not permit the use of larger vessels. Our friends on the West Coast are able to cut their costs by using large vessels in the transportation of their product to markets.

We have been—I was going to use the word "begging"—appealing to the federal government—and when I say "we" I mean the people of the whole Miramichi district who know of this difficulty under which these mills are labouring—to dredge the channel of that river to a depth of 26 feet in order to permit the use of larger vessels. When I say "we" I also include the mayors and town councils of the towns of Chatham and Newcastle, the labour unions, chambers of commerce, and all groups in the community. They all support that appeal. So far, however, we have not been successful. That is one method by which the federal government can assist these mills to continue their operations.

Another situation developed within the last two weeks. This river has to be used during the winter season, and we have had very heavy ice conditions in it this year. Last week five steamers were held up in the river by the ice and, I am afraid, even as I speak are still confined. Three of them are loaded with cargo ready to go out, and two are inbound. The only icebreaker that can be used in the river, on account of the depth of the water, the *Sir Charles Tupper,* is in Prince Edward Island freeing a potato steamer at Charlottetown, and word was received from her that she was caught in the ice, and a larger icebreaker was being called in. I understand that the latest information now is that the wind has shifted and she has cleared Prince Edward Island and is on her way up the Miramichi, so I hope it will not be too long before those steamers are released.

Honourable senators will realize how much it costs the shippers when these steamers are held up by conditions such as this. I therefore hope that the government, with all the good promises, will be able to help us out and remove the threat, which we feel is there continuously, that these mills may be forced to close down or suspend their operations.

I cannot resume my seat without saying a word concerning salmon. Honourable senators will recall that last year, on account of the diminishing runs of salmon, commercial fishing was banned on the Miramichi and Saint John Rivers, and the fishermen were to be compensated for their loss of income. Runs of salmon had been declining since 1967, especially those of large adult salmon. However, during 1972, when this ban was imposed, the salmon runs were very much improved. Figures released by the department show an angling catch—just imagine, the anglers were not banned—on the watershed of the Miramichi last year of 31,113 fish, salmon and grilse, which would indicate there was a good run of fish. This has led many fishermen to declare that the ban was not necessary, but others are of the opinion, as the member for our riding, Mr. G. Percy Smith, said in his speech in the House of Commons on January 9 last, that the 1972 improvement in runs reflects the normal five-year cycle; the 1972 run represents a return of salmon hatched in 1967. That run also reflects the effects of the ban on the Port aux Basques fishery which, historically, took many fish destined for New Brunswick rivers.

In the matter of compensation to the fishermen, the formula chosen was an annual payment during the ban, up to five years, of an amount equal to the average of each fisherman's best three consecutive years' income catch in recent years. The Miramichi fishermen chose the years 1965, 1966 and 1967. Negotiations for settlement have been very difficult, and they continued during the summer.

Payments to the set-net fishermen have not been finalized, although to their dismay fishermen have recently received cheques marked "final payment." Mr. Smith, our member, who spent most of last summer endeavouring to reach an agreement which would satisfy the fishermen, stated that while the minister was disposed to be generous in the matter of compensation of settlement "his departmental officers, either at the regional office at Halifax or here in Ottawa, or both, apparently thought that the formula was too generous and have taken it upon themselves to set arbitrary figures for the catch of individual fishermen, mailing them a cheque marked 'final payment.'"

Honourable senators will realize just what that meant to many of these fishermen and, as Mr. Smith says, the

whole question is very complicated because these men are small operators, and their income was not large enough to require them to pay income tax. Mr. Smith, therefore, has asked the minister to appoint an appeal board to which these men may appeal the amount that has been paid them by the department. I can assure you, however, that due to this inconsistency there is an unrest and unhappiness among the fishermen because they feel they have not been treated fairly. These men, I know personally, are some of the finest citizens in the land. They are courageous. They are made of good stuff. They are of the calibre that should be given generous treatment. They should receive compensation not only for the loss of their income, but also for the loss of their way of life, which involves much more than dollars and cents.

• (1550)

Hon. Edward M. Lawson: Honourable senators, I am told by my friends in the women's liberation movement that it would be the worst kind of male chauvinism to take offence over the appointment of our lady Speaker. Permit me to say that the previous Speaker in this chamber was a person of wisdom, understanding, patience and great competence, and I am satisfied that our present Speaker possesses those same attributes.

I wish now to make a few brief comments on the Speech from the Throne. I am sorry that the Leader of the Government is not present, because I would like to draw a few things to the attention of the government. However, perhaps he may find an opportunity to read my speech.

One of the complaints heard most in British Columbia after the election was that during the course of the election the government listened to everyone except the voters and the ordinary people. In a few brief moments I propose to discuss some of the concerns of ordinary people which have caused some reaction in the West against the government. I have had occasion to talk to many people, to members of trade unions and others. Their major criticism is that when the government spoke about having a dialogue with the people—which is a pretty good word—they should have had a duologue. A duologue is similar to a dialogue, except that it involves both talking to a person and listening to him. Those with whom I spoke said it was a major failure on the part of the government that it did not listen to or understand their concerns.

There is great concern over inflation, and I am pleased that the Throne Speech listed this subject as a priority. I come into contact with large groups of people and members of organizations who say, "We constantly hear about the concern of senior citizens not being able to deal with the problem of inflation gobbling up all their reserves. Why can't the government simply take whatever it requires off the top of the gross national product and give senior citizens a fair standard of living, a decent standard, that will allow them to live in dignity?" They say, "Everyone expects a return on his investment. Surely an investment in your country of the whole of your working life should entitle you to a reasonable return, which is a decent standard of living in your senior years."

That may be an oversimplification of the matter, but it is widely felt that something should be done very quickly. It does not require a lot of computer action or expertise. Whatever it takes to get the job done, we should do it.

[Hon. Mr. Burchill.]

Another major concern in British Columbia is unemployment. This is a problem all across Canada, but particularly in British Columbia for a couple of additional reasons. Many feel that if they are going to be unemployed they would rather be unemployed under the best circumstances. The weather in the West is not as severe as that in the East, so they go to British Columbia.

It is not only a question of the government's failure to deal adequately with the problem of unemployment, but that many of the things that were done were contributing factors to a state of unemployment, the psychology of unemployment. We hear the constant complaint on hot line programs and throughout British Columbia that many people obtain federal government grants that will keep them in employment for the required minimum number of weeks until they can qualify for unemployment insurance. When that is exhausted, they get another grant, and continue the process.

Many people, throughout the whole of their working lives, have at no time engaged in one day on meaningful employment which resulted in any productivity. It is a case of living out of the government's pocket, either on the right side or the left side.

It was a rather surprising experience for me to have a major employer in British Columbia tell me about a serious problem his company had to face. The company had orders for its product, ready-mixed concrete, and trucks were available to make deliveries. I said it was a simple problem to solve: "You have the product, the customers, and trucks. We have 600 or 700 trade union members who are unemployed. Why not put them on the trucks and live happily ever after?" The reply was that it was not that simple. I was told, "Union members will not work because it involves only two days of work a week, and it prevents them from getting unemployment insurance."

The job was not a low-paid one. The rate offered was $6 an hour, amounting to $50 a day. But the company could not get people to work for $50 a day because it could not compete with unemployment insurance.

I do not consider myself a right-wing reactionary, but it seems to me that if decent-paying jobs are available and there are qualified people available, there should be some means whereby they forfeit their unemployment insurance if they refuse to do the work.

Hon. Senators: Hear, hear.

Hon. Mr. Lawson: Surely it is not the role of our society to encourage or promote unemployment. I understand that the government is talking about making changes to the Unemployment Insurance Act. Changes are necessary. I hope that the government will engage in a dialogue, both talking and listening, with people directly involved, who might assist the government in making the right kinds of changes to close some of these gaps.

I cannot think of anything more shocking, as a sometime representative of a trade union, to have to say, "I'm sorry, our people will not go to work because it is only for two days a week." Surely people should work, whether it is for one, two or three days. Unemployment insurance should be paid only when no work is available. The current philosophy which seems to have taken over across

Canada must change and the inducement must be to go to work.

There are many other matters that are causing concern. Some of the things I am mentioning do not necessarily reflect my own views, but are the views of many people as to what really is going on.

I do not wish at this time to become involved in the question of prison reform, and so on. There are dozens of examples which highlight the problem. Back home there was the case of a bank robber of some local renown who successfully robbed a bank of $30,000 or $40,000. He was subsequently apprehended and put in jail. After a few years, he came up for parole, but this was denied him. Why? Because he would not tell where he had hidden the loot. Well, that was reasonable grounds for denying him parole; but, low and behold, a few months later he is on a weekend pass. Then he is on a weekly pass. Then he got a federal government grant of $75 a week, which was subsequently raised to $100 a week. Then he was put in charge of a local poverty initiative fund and given another grant of $3,000 or $4,000.

But alas, this story ends with one more contribution to unemployment. The man left the employment of the government, taking with him the grant of $3,000 or $4,000, the loot from the bank robbery, and also a young lady from the local community. They have gone, never to return. A question I am asked when I go back is, "My God, are you all mad down there?"

• (1600)

What possible inducement is there for people to work—I am talking about people who, in the language of the workers, are on the job slugging their guts out every day to provide a meaningful life for themselves and their families—when they read in every newspaper and hear on every newscast another story of someone getting it for free. And when the grant runs out he goes on unemployment insurance. They hear about the funds being washed out and they ask, "When I'm legitimately unemployed, what will there be for me?"

So, I am pleased that in the Throne Speech they talk about a priority of dealing with unemployment. But, in addition I feel it is most urgent that they know and understand the additional contributing factors—this kind of state of unemployment—and the inducement and encouragement not to do anything about it.

Another contributing factor to unemployment—and again this seems to be centralized to a large degree in British Columbia—is illegal immigration. There are literally thousands of people in British Columbia with no legal immigrant status. Many of them are American draft dodgers who have found their way across the border and into our communities. These are some of the complaints that I hear when I go back. They want to know why these people are in their communities and how they got there. Well, they came in as visitors, and then applied for landed immigrant status. They are not entitled to do that, that is correct, so a deportation order is issued. But then they file a notice of appeal and the deportation order cannot be executed pending the outcome of the appeal. Since there is about a two-year backlog of these appeals, these people are obtaining work permits and they are here even without work permits and taking jobs which should be filled by Canadian workers, with the result that they are aggravating the unemployment problem.

Perhaps they oversimplify it, but some people have made suggestions which may have some merit. They suggest setting up a number of ad hoc committees to deal with this backlog. Perhaps members of this chamber could be chairmen of such committees. These committees could then be provided with a copy of the relevant legislation, have a bus on standby, and those that are here illegally could be ferried back across the border, or from whence they came. This would make it possible for those who want to play by the rules—those who want to become landed immigrants and Canadian citizens, and help build Canada and a future for themselves—to come here and feel welcome. We do not need the others.

I am asked: Why do we have to get lost in this hopeless bureaucracy? Why could we not set up 20, 30, 40 or 50 committees and clear up the backlog of these cases in 90 days? I cannot answer that question because, quite frankly, I cannot think of any reason why we cannot do it. This, again, is a contributing factor to unemployment and the things that flow from it.

These ordinary people who could not be heard by the government are saying other things as well. They are saying such things as: "Isn't it amazing that here we are out in British Columbia and the West, and no one really cared about us. We took away two-thirds of the government's seats in British Columbia, and then they discovered the West. What kind of bounties and goodies would we receive if we took all of their seats away?" And they are really somewhat delighted after the fact with the type of response they are getting as a result of expressing themselves in the only way they could.

Hon. Mr. Argue: If they take them all away they get the Tories.

Hon. Mr. Lawson: There are other problems of major concern in British Columbia. Again dealing with unemployment, a major one is the port of Vancouver. I know this has been a topic of conversation. I recall vividly Senator Argue in this chamber last year talking about port facilities to meet the demands of our exports of wheat, and other things. Many of us are concerned about this and have discussed it. In fairness, I should say that at the moment the federal government is taking some positive action with respect to the port of Vancouver in that they are building additional container facilities. I hope this will make us more competitive in the future, but again the question raised repeatedly is: Why did we have to wait until we lost all or much of the business—millions of tons of freight and thousands of jobs—to the port of Seattle and other ports because no action was taken?

Competition comes not only from other sea ports such as the port of Seattle or Portland, or others up and down the coast. We now find our American brothers appear to be more enlightened in their approach than we are in that there is a major container facility being built in Butte, Montana. For those who may not be familiar with the area of Butte, Montana—and this will be called the port of Butte—there is only one ingredient missing, and that is water. It is in the Rockies, and there is no water within a hundred miles. However, they are establishing a port facility there. It will be a truck port, a container port.

They will have a harbour commission, notwithstanding the fact that there is no water, and it will be a major outlet for containers throughout the whole of the Northwest. Again, more of the container freight which should be going through British Columbia and the port of Vancouver, creating hundreds of jobs, is going to be lost to dry land ports in the west of the United States.

While we are very pleased that something is being done, it is my sincere hope that we will have a crash program for the creation of port facilities to make the ports of British Columbia more competitive.

One major missing ingredient in all of these actions is the involvement of those people who have expert knowledge in the field. The people directly involved, whether port operators, longshoremen, trucking companies, and shippers, should form part of the decision making body. Many of us are getting a little tired of these intellectual experts working things out on paper and showing us how it should be without any input form, or consultation with, the people directly involved. That to me is a very important aspect, and it is my sincere hope that these people will be consulted.

There is one other area of concern that I think needs to be examined briefly, and it is what I choose to call this railroad philosophy in wage rates. I suggest that one of the major contributing factors to the problems in the Post Office across the country today is the endeavouring to impose a national formula across the country for every economic area, regardless of competitive wage rates. This, in my humble opinion, simply will not work. Last year when the federal government decided to integrate some of the private contractors into the government service, and we were forced to examine the wage rates, we found that in Ontario where they were integrated they had to take a cut in wages of 21 cents an hour; in Victoria where they were integrated they had to take a cut of 51 cents an hour; and in Vancouver they had to take a cut of 69 cents an hour. These people left a trade union contract which covered them to go into the government service. Again, there was this railroad philosophy that everything must be equalized all across Canada, regardless of the economic factors prevalent in the various regions. In my view and experience in dealing with these types of labour-management problems, this will not work. Until the government recognizes the fact that you cannot promote national unity by locking them all together regardless of the economic factors involved, we will continue to have problems. I feel it is imperative that we change from that kind of philosophy.

I am pleased about the prospect of a Western conference. All too often when we talk about farmers and agriculture everyone assumes—and I must confess I do this myself—that we are talking about wheat farmers or the Prairie farmers, but there is also concern in British Columbia for the dairy and beef farmers. There is a real concern that they might be lost in the national shuffle, so it is my hope that we involve the people directly and talk about these problems.

• (1610)

We hear talk of Western alienation. I know that in this chamber Senator Molgat and others, including myself, have commented on Western alienation versus Western separation. There is nothing to be served by denying that there is some Western alienation. It is not an anti-Quebec feeling or that type of thing. I know that Senator Manning in his speech referred to this concern about Western alienation, but I think it is more a matter of legitimate grievances that exist in the province of British Columbia, in the Prairie provinces, and in Manitoba, which are not being dealt with directly. It is my experience that failure to deal with these kinds of grievances gives birth to prejudice and envy. There has to be fairness in dealing with the problems in these areas. In addition, there has to be the appearance of fairness and concern.

I think one way to solve the so-called Western alienation, or the so-called anti-Quebec feeling, which I do not share, is to deal with the legitimate grievances that exist in the respective areas, whether in the Maritimes—about which Senator Burchill spoke—the Prairies, or British Columbia.

As a final comment on the Throne Speech, I can only urge the government, if they are sincerely interested in dealing with this so-called Western alienation, if they are sincerely interested in solving the problem, to involve the people who are direct participants and who understand the problem. They must examine and understand what the problems are. If they deal with the grievances fairly, I am satisfied they will find that we in the West will be willing and enthusiastic partners in any kind of constructive program.

On motion of Senator Molgat, for Senator Goldenberg, debate adjourned.

The Senate adjourned until Tuesday, January 23, at 8 p.m.

THE SENATE

Tuesday, January 23, 1973

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

Prayers.

THE LATE LYNDON B. JOHNSON

TRIBUTES TO FORMER PRESIDENT OF THE UNITED STATES

Hon. Paul Martin: Honourable senators, a little over two and a half weeks ago we noted with great regret the passing of a former president of the United States, Harry S. Truman; and it is regrettable that tonight we should have to recall the passing of another former president of the United States, Lyndon Baines Johnson.

During a period of great difficulty, following the assassination of President Kennedy, he was called upon to preside over the affairs of our good neighbour.

Both President Truman and President Johnson came to the presidency as a result of the death of the president in whose administration each served as vice-president. In the case of President Truman, it was the death of President Franklin Delano Roosevelt which made him the chief governing officer in the United States. The assassination of President John F. Kennedy was the reason for the assumption to the presidency of Lyndon Johnson.

It is ironic, bearing in mind what the war in Vietnam has meant to the United States, to the world, and to the late President Johnson, that today we are confident that we are close to a ceasefire arrangement in that regrettable conflict.

Because of Vietnam, many will find it difficult to assess properly the record of President Johnson as the head of government in the United States. It is a fact that that conflict evoked great divisions, not only in his own country but throughout the world. It is a fact, as the record will show, that there were great differences of opinion between the Government of Canada and the Government of the United States, and this arose out of our responsibilities as a member of the truce supervision commission.

But whatever may be the intractable qualities of the war in Vietnam we cannot help note that President Johnson was responsible, perhaps as none of his predecessors were, for a civil rights program, and for programs in the field of education and social welfare, including medicare. These are monuments to his efforts, and it is because we are a friend of the United States, not necessarily dependent on it, and a neighbour that we note the passing of these events in that country. It is because we are a friend that we regret the passing of President Johnson and, as the Prime Minister said this morning, with which the Leader of the Opposition and the leaders of other parties in the other place associated themselves, the Government of Canada, the Parliament of Canada, and the people of Canada extend to Mrs. Johnson and her two daughters our warmest sympathy.

Hon. Jacques Flynn: Honourable senators, the architect of America's "Great Society" is dead. He is the man, who, as leader of the American Senate, shepherded through that chamber the first civil rights legislation since reconstruction; the man who, as President of the United States, piloted through Congress even more progressive civil rights legislation; the man who did so much for his country in the area of social welfare and education.

His predecessors dreamt of alleviating poverty, of providing free medical care, of giving everyone a fair chance of equipping himself with an education; and what others had dreamt of doing, this man did.

In the area of international affairs he enjoyed some noteworthy successes, most of which dealt with limitation of the use of nuclear armaments, and that is the irony of this man's presidential career.

I remain convinced that he was a man of peace, but history will most likely picture him as a man of war. All his successes on the domestic front will count for naught. He likely won't be remembered so much for what he did as for what he did not do—he did not bring an end to the Vietnam war. That failure brought on his political demise, and that failure will be written indelibly in the annals of history. He gave the people to understand that he would bring about peace by political rather than by military means, and then he proceeded to wage war. Even at the best of times the task of leading a superpower such as the United States must surely not be easy. Lyndon Johnson happened by at one of the worst times; his contemporaries dealt with him harshly and historians will do likewise, unless they look upon the whole of his life and do so with kindness and understanding.

To his wife, to his family and to the people of the United States I offer on behalf of the official Opposition our heartfelt condolences.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of proposed Agenda for the meeting of the Federal-Provincial Committee of Finance Ministers and Provincial Treasurers in Ottawa, January 18 to 19, 1973.

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board for the period October 1, 1971 to September 30, 1972. (English text).

Copies of letters, dated January 15, 1973, addressed by the Prime Minister of Canada to the Premiers of the various provinces respecting proposed federal-provincial ministerial meetings.

Report of the Department of Industry, Trade and Commerce for the fiscal year ended March 31, 1972, pursuant to section 8 of the Department of Industry, Trade and Commerce Act, chapter I-11, R.S.C., 1970.

Report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1972, pursuant to section 7 of the Depart-

ment of Indian Affairs and Northern Development Act, chapter I-7, R.S.C., 1970.

Auditor General's Report to the Minister of Manpower and Immigration on the examination of the accounts and financial statements of the Unemployment Insurance Commission for the fiscal year ended March 31, 1972, pursuant to section 15 of the Unemployment Insurance Act, 1971, chapter 48, Statutes of Canada, 1970-71-72.

Copies of Canadian Note handed to the Department of State of the United States Government on January 19, 1973, with respect to countervailing duties applied against the Michelin Tire Manufacturing Company of Canada.

Report on the administration of the Employment Support Act for the annual quarter ended June 30, 1972, pursuant to section 21 of the said act, chapter 56, Statutes of Canada, 1970-71-72.

Report of the Superintendent of Insurance for Canada on Small Loans Companies and Money-Lenders licensed under the Small Loans Act for the year ended December 31, 1971.

POVERTY

REPORT OF COMMITTEE EXPENSES TABLED

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

STANDING COMMITTEES

FIRST REPORT OF COMMITTEE OF SELECTION PRESENTED

Hon. Gildas L. Molgat presented the first report of the Committee of Selection:

The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, makes its first report as follows—

Hon. Senators: Dispense.

(For text of report see appendix pp. 116-17.)

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

Hon. Mr. Molgat moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

• (2010)

LABOUR RELATIONS

DISRUPTIONS IN MAIL SERVICE—STRIKE OF ELEVATOR TECHNICIANS—QUESTION

Hon. Donald Cameron: Honourable senators, I should like to ask the Leader of the Government the following questions:

[Hon. Mr. Martin.]

1. (1) In view of the continuing irresponsible disruption of the mail service of this country by postal workers, does the government plan to take disciplinary action against those causing the disruption?

(2) What penalties, if any, are charged against wildcat strikers? Do they lose pay for the days they are off? Are any other disciplinary measures taken such as fines and/or discharge?

(3) When postal or other employees engage in wildcat strikes can they:

(a) draw unemployment insurance, and

(b) if so, under what terms or conditions?

(4) What plans, if any, has the government in mind to bring an end to the chaotic situation in the postal service, such as:

(a) making it a crown corporation, or

(b) turning the service over to a private corporation under contract.

(5) Has the government any plans to remove labour negotiations from the Treasury Board?

(6) Has the government given consideration to setting up an independent, non-governmental bargaining agency for employees in the Public Service?

2. In view of the fact that the strike of the elevator technicians has been in progress for some 22 weeks with no sign of a settlement, and because their disruption of service has already cost hundreds of thousands of dollars plus untold inconvenience to elderly people, does the government contemplate any action to bring this inexcusable disruption of service and business to an early conclusion?

Hon. Mr. Flynn: Those are good questions.

Hon. Paul Martin: Honourable senators, Senator Cameron was kind enough to give me notice last Friday of his intention to ask these questions. I hope that by tomorrow or the next day we will be in a position to give him an answer.

SCIENCE POLICY

MOTION TO APPOINT SPECIAL COMMITTEE

Hon. Donald Cameron moved, with leave of the Senate and notwithstanding rule 44(1)(d):

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

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

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

(c) federal assistance to research and development activities carried out by individuals, universities,

industry and other groups in the three scientific fields mentioned above; and

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

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

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

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

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

He said: Honourable senators, I move this motion in the absence of Senator Lamontagne, who is out of the country.

Hon. Mr. Flynn: Do I understand that the honourable senator is asking leave to proceed with this tonight?

Hon. Mr. Cameron: It is a notice of motion.

Hon. Mr. Flynn: A notice of motion? You said "with leave." If you give notice that the next day you are going to move, that is something else, but I am certainly not going to give leave to deal with such a substantial motion tonight, a motion that I have heard now for the first time.

Hon. Mr. Cameron: This is notice for next sitting.

Hon. Mr. Flynn: Well, that is all right.

EMERGENCY SITTINGS

MOTION TO CONVENE SENATE DURING ADJOURNMENT

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

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

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt this motion?

Hon. Mr. Flynn: I just wish to be sure, Your Honour, that you would consult with the Leader of the Government before exercising this power.

Hon. Mr. Grosart: On a point of order, honourable senators, surely this was moved under notices of motion. I do not know how under notices of motion the sponsor can ask for leave to put a motion. Motions come under item 9 of the Orders of the Day, and I think this comes in exactly the same category as the previous motion by Senator Cameron. Surely it is not possible under notices of motion to ask for leave to move a motion?

Hon. Mr. Molgat: Honourable senators, I believe this is the standard motion that has been presented in the past. I have no particular desire to proceed with it tonight, but I think we should deal with it before the end of this week so that the Senate can then proceed with its business as it sees fit for the balance of the session.

Hon. Mr. Grosart: The point of my point of order was that if it was to be moved with leave it should have been moved in the proper place on the Order Paper.

Hon. Mr. Molgat: It is as notice of motion that I present the motion. It comes under the item of notices of motion.

Hon. Mr. Grosart: The reason I raised the point was that Her Honour was putting it as a motion, or at least I thought so, but I do not believe that was the intention.

Hon. Mr. Molgat: The intention is to move under notice of motion.

Hon. Mr. Flynn: You are not moving it tonight?

Hon. Mr. Molgat: No.

Hon. Mr. Flynn: So you do not need to have leave.

Hon. Mr. Molgat: No, we just wish to place it on the Order Paper.

• (2020)

POLYMER CORPORATION

INVESTMENTS IN SOUTH AFRICA—QUESTION

Hon. Eugene A. Forsey: Honourable senators, I should like to ask a question of the Leader of the Government, of which I sent him notice this morning. I dare say he will not be able to produce the answer now, but I should be glad if he will take the matter into consideration and consult his colleagues and such officials as are necessary.

The question is in three parts. First, has the Polymer Corporation fully divested itself of its investments in South Africa? Second, if so, on what date and for what sum? Third, what was the cost price to Polymer of its investments in South Africa?

Hon. Mr. Martin: In reply, I can answer the first part of the question, but I cannot answer the other parts without making some research, and that I will do. I am sorry, but I did not receive notice of the question until I heard it tonight. It is likely my fault. I will answer the question in its three parts as soon as possible.

BUSINESS OF THE SENATE

Hon. Mr. Flynn: May I ask the government leader a question concerning the business of the house. Since the debate on the Address in reply to the Speech from the Throne will be concluded on Thursday, is it expected that

we will have some legislation either coming from the other house or initiated here next week?

Hon. Mr. Martin: I doubt very much if there will be legislation before us next week. I intend to discuss the business for next week with the Leader of the Opposition some time tomorrow. It may be that we would adjourn and not sit next week, and return on February 6. However, we will be in a better position to determine this after I have discussed the matter with my honourable friend.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, January 18, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Senator Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. H. Carl Goldenberg: Madam Speaker, I want, at the outset of my remarks to join my colleagues in congratulating you on your election to the high office that you now occupy, and which I hope you will occupy for a long time to come.

Hon. Senators: Hear, hear.

Hon. Mr. Goldenberg: Honourable senators, I also join in congratulating the mover of the motion, Senator Hicks, and the seconder, Senator Lafond. I have known Senator Hicks for many years. The first time I met him was when he was a young man in uniform at a dinner at the home of another noted Nova Scotian, J. L. Ilsley. I have watched his career, first as Minister of Education for the Province of Nova Scotia and then as the Premier, and following that as President of Dalhousie University. He has graced all of those positions, as I know he will this chamber, by his presence.

Hon. Senators: Hear, hear.

Hon. Mr. Goldenberg: I have listened with a great deal of interest to the preceding speeches in this debate. I had not planned to comment on the speeches made until I heard my old friend, Senator O'Leary. I have a very high respect for Senator O'Leary, a very genuine respect. I have known and admired him for many years, and I always enjoy his emotional and fiery outbursts. However, I am sorry to say that this time he added venom to the mixture. He allowed, I am afraid, his partisanship to get the better of his judgment. I am referring to his unwarranted attack on the Honourable Jean Marchand.

Honourable senators, I was born in Quebec and I have lived there all my life. I am proud to be a Quebecer, and I think I know my province. Senator O'Leary too was born in Quebec. He reminded us that he is a native of Gaspé. However, if I remember correctly, he left Quebec more than 60 years ago. It was in 1911 that he first represented the Ottawa *Journal* in the Parliamentary Press Gallery and began a career of great distinction in journalism. True, he came back to Quebec to contest Gaspé in the election of 1925 against the redoubtable Rodolphe Lemieux, but as a citizen of Ottawa. He was, of course, defeated.

Hon. Mr. Flynn: Why "of course?"

[Hon. Mr. Flynn.]

Hon. Mr. Goldenberg: I have presented this background, to show the era of Quebec politics with which Senator O'Leary is very familiar. He cited examples of racist arguments in political campaigns and in the press. He told us that Rodolphe Lemieux, his opponent, charged him with being the candidate of the Protestants and the Jews in Gaspé in 1925. He later told us that he took his first communion in Gaspé, and thus led me to wonder whether this was the reason Lemieux thought he had been chosen by the Jews.

It is true that race and language figured in Quebec politics for a long period of time. I see no purpose in raking up the past, however, unless we want to do mischief. Although a Quebecer, I know something of Canadian political history outside of Quebec. I need only remind Senator O'Leary—and he knows much more about this than I do—of the Manitoba school question, Regulation 17 in Ontario, and of the politically powerful Orange lodges with their motto, which I quote: "One flag, one school, one language." Of course, I am not accusing Senator O'Leary of being a member of the Orange Order. But this is all past history. Canada has changed, and Quebec has changed. You will recall we had a "quiet revolution" in my province in the 1960s for which Jean Marchand, a brilliant labour leader, helped pave the way.

• (2030)

When in the course of those years there developed in Quebec a threat to the unity of Canada, it was the same Marchand who came bravely to the fore and entered federal politics. He did not have to do this. He did it because he is a great Canadian.

Hon. Mr. Flynn: He did not try to enter through the Conservative Party, because it would have been much more brave for him to try through the Conservative Party.

Hon. Mr. Goldenberg: I did not say he was as brave as all that.

Hon. Mr. Flynn: It is too easy to use a tool like the Liberal Party to do it.

Hon. Mr. Bourget: Order, order.

Hon. Mr. Flynn: "Bravely" is the word.

Hon. Mr. Goldenberg: I understand the honourable senator's feelings, but I adhere to what I have said. Jean Marchand did not have to enter federal politics, but he did it as a good Canadian with great courage.

Hon. Mr. Choquette: Did he do that as one of the three wise men?

Hon. Mr. Flynn: It would have taken more courage to enter through the Conservative Party.

Hon. Mr. Goldenberg: Not courage.

Hon. Mr. Bourget: He had more judgment than that.

Hon. Mr. Flynn: I know that.

Hon. Mr. Denis: There are no three wise men in the Tory Party.

Hon. Mr. Goldenberg: I am not making a political speech.

Hon. Mr. Flynn: If you are not, you do not know what a political speech is.

Hon. Mr. Goldenberg: I am trying to be fair to a great Canadian.

Hon. Mr. Flynn: Who wasn't trying to be fair?

Hon. Mr. Goldenberg: With great courage Jean Marchand challenged the forces that would promote the disintegration of Canada, and he is continuing to do so today. For this we owe Jean Marchand not the attack we heard the other day, but the gratitude of Quebec and Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Goldenberg: Honourable senators, it had not been my intention to preface my remarks with what I have said, but I felt I was provoked—

Hon. Mr. Flynn: Ho, ho.

Hon. Mr. Goldenberg: —by the attack on the Minister of Transport.

Hon. Mr. Flynn: That is childish.

Hon. Mr. Goldenberg: Now, having been involved for many years in federal-provincial conferences and negotiations, I am going to confine my remarks to one theme which, as I read it, runs through the Speech from the Throne. It is the theme of co-operative federalism. The government proposes continued and increasing consultation and co-operation with the provinces on policies and programs of national concern. This is as it should be.

There is to be a reorganization of existing social security systems in consultation with the provinces. A seasonal capital works project will be undertaken in co-operation with the provinces and municipalities. Measures will be proposed in consultation with the provinces to deal with new direct investment, and the sale of land to foreigners. Meetings are proposed with the provincial governments in the five regions of the country to examine the impact of freight rates on economic development and consumer prices. The Canada Pension Plan is to be improved by agreement with the provinces. There will be action on housing and urban development in co-operation with the provinces. In the field of communications due weight will be given to the interests and concerns of the provinces.

Federal-provincial meetings are proposed on a wide range of subjects including financial and economic policy, health care programs, post-secondary education, income security and industrial policy. There will be a conference with the governments of the four Western provinces on Western economic opportunities to consider programs for stimulating and broadening the economic and industrial base of Western Canada.

On a broader scale, recognizing that the "growing complexity of our society calls for increasing co-ordination of federal and provincial government programs," the Speech announces that:

> The Prime Minister will propose a meeting in the spring with the provincial first ministers to plan further steps in the harmonization of goals, policies, and programs for the benefit of all Canadians, particularly in fields that bear on the responsibilities of both levels of government.

The dates for this and the other principal meetings have already been set.

[*Translation*]

This is cooperative federalism. The necessity for—

> increasing co-ordination of federal and provincial government programmes—

is recognized. I repeat, because it is significant, a meeting is proposed—

> to plan further steps in the harmonization of goals, policies and programs for the benefit of all Canadians, particularly in fields that bear on the responsibilities of both levels of government.

[*English*]

Honourable senators, this co-operative federalism is what any federal system must be if it is to function in the best interests of the citizens. It is, of course, not a new policy but one that has been developing in Canada over the years and more particularly in the recent past. Let me cite some figures. The number of federal-provincial committees, including committees of first ministers and other ministers, and committees of officials, increased from approximately 65 in 1957 to 220 in 1970. In 1971 there were 45 federal-provincial conferences open to participation by all provinces, excluding constitutional review meetings. Between January 1971 and September 1972 bilateral contacts with individual provinces at the ministerial or deputy-ministerial level numbered 315. In the latter period there were also some 20 regional meetings between federal representatives and representatives of groups of provinces.

These figures by no means exhaust all federal-provincial consultations in the relevant periods, but they show that the principle of consultation with the provinces which underlies the Speech from the Throne is not new. It is but a continuation of existing practice. To those who point out that the practice has not eliminated tensions, I suggest that tension is inherent in federalism with its two levels of government and divided jurisdictions. It is in fact healthy; it would be unnatural if there were no tension.

[*Translation*]

In his recent book entitled *Pourquoi le Fédéralisme,* Professor Gilles Lalande, of the University of Montreal, quotes Professor Daniel Elazar:

> —every federal system necessarily breeds a permanent tension between the central government and the governments of the federated political entities but this state of tension creates an equilibrium which, although variable, is always beneficent and in fact essential to the vitality of the whole. This, however, is conditional upon the existence of a federalist spirit or attitude on both sides.

• (2040)

[*English*]

Honourable senators, while I believe in co-operative federalism and am pleased that the government has so strongly reaffirmed its intention to adhere to it, I am not contending that it will solve all our problems. But I do suggest that it is the most practical means to seek solutions. To those who see the only solution in a constitutional redistribution of legislative powers between Canada and the provinces, I say with all respect—and I speak with long experience in constitutional negotiations—that, how-

ever they may be redistributed, governmental powers in a federal state operating in our complex society cannot be preserved in water-tight compartments.

It is more than 30 years since the Rowell-Sirois Report on Dominion-Provincial Relations said this very effectively in these words:

> No amount of care in phrasing the division of powers in a federal scheme will prevent difficulty when the division comes to be applied to the variety and complexity of social relationships. The different aspects of life in a society are not insulated from one another in such a way as to make possible a mechanical application of the division of powers. There is nothing in human affairs which corresponds to the neat logical divisions found in the constitution. Therefore, attempts to exercise the powers allotted by the constitution frequently raise questions as to its meaning in relation to particular circumstances.

In the same vein, Professor W. R. Lederman, of the Law Faculty of Queen's University, and an eminent constitutional authority, spoke as follows in his submission to the Joint Committee of the Senate and the House of Commons on the Constitution of Canada:

> So long as we have a federal system at all, the problems of overlap and interpenetrations I have been illustrating are inevitably with us, socially, logically and philosophically. So long as there is a Federal Parliament and Government with some kind of a list of powers appropriate for a central government over the national territory, and so long as there are Provincial Parliaments and Governments, co-ordinate in status, each with a list of other powers deemed appropriate to them in their respective provincial regions, just so long will federal and provincial legislative responsibilities overlap and interpenetrate in wide measure respecting single broad problem areas, one after the other, as life in our country throws up such problems for attention and solution from time to time.

Following an elaboration of his presentation before the joint committee, Professor Lederman came to this conclusion:

> This brings me to my first priority for constitutional development and reform: better and more systematic co-operative federalism. In my view our federal and provincial governments should concentrate their energies, separately and co-operatively, upon the most urgent social issues of our time, urban development, fair taxation, economic growth and so on. Federal-provincial meetings of ministers, officials and experts should deal with the specifics of these problems and the details of what the legislative solutions for them should be. Detailed federal-provincial agreements should be reached . . . and then each government gets on with the necessary legislation and administration as agreed, in accordance with the federal-provincial master plan.

Honourable senators, this, as I see it, is what the Speech from the Throne envisages. With goodwill on both sides, co-operative federalism can only promote national unity. But it will not do so if it becomes a one-sided proposition. In this connection I quote from the opening statement to the Federal-Provincial Conference of July, 1965, by the Right Honourable L. B. Pearson, whose recent death we all mourn. He said:

> We cannot work together if the federal government attempts to encroach on provincial rights. Equally we cannot work together if provincial policies are directed to the erosion of federal jurisdiction and power. We have to proceed by the methods of cooperative federalism, by consultation and cooperation in all matters of mutual concern. Cooperative federalism is not a doctrine that puts all the restraints on the federal government. It does not mean that the federal government should move only after consulting the Provinces while the Provinces accept no similar obligation on their side. Cooperative federalism does not mean that the burden of agreement rests only on the federal government while the Provinces make demands for the withdrawal of the federal government from established lines of action and responsibility.

It is my hope that the negotiations which are now scheduled will be conducted in the proper spirit by both levels of government.

Honourable senators, I now want to draw your attention to a more recent development in intergovernmental consultation. It was my privilege during the recent parliamentary recess to be selected by the three levels of government in Canada to preside over the Federal-Provincial-Municipal Conference on Urban Affairs, the first national tri-level conference since Confederation, which was held in Toronto on November 20 and 21 of last year. The conference was authorized at a meeting of the Prime Minister of Canada and the premiers of the provinces in November 1971, which meeting recognized the principle of national consultation on urban affairs and called for "close cooperation between the federal and provincial governments to bring about an effective co-ordination of their respective programs and policies" in urban affairs.

The arrangements for this unprecedented conference were assigned to a tri-level committee consisting of the federal Minister of State for Urban Affairs, the Minister of Intergovernmental Affairs of Ontario and subsequently the Minister of Municipal Affairs of Nova Scotia, for the provinces, and the President of the Canadian Federation of Mayors and Municipalities, acting for the municipalities. The federal government was represented at the conference by the Minister of State for Urban Affairs, accompanied by the Minister of Transport and the Minister of State for Science and Technology, and their advisers. Each province was represented by the Minister of Municipal Affairs or the minister having main responsibility in the area, in some cases accompanied by other provincial ministers and their advisers. The municipal representation consisted of two members of municipal councils per province, representing both urban and rural municipalities, two municipal representatives from the Yukon and the Northwest Territories, the President of the Canadian Federation of Mayors and Municipalities in his capacity as Chairman of the Joint Municipal Committee on Intergovernmental Relations, and additional delegates and advisers. The representation of the three levels under their three respective co-chairmen totalled 207.

• (2050)

The agenda of the conference was as follows:

1. A review of the problems and challenges facing all three levels of government in the transition of Canada from a rural to an urban society.

2. The role of the three levels of government in meeting the problems and challenges identified, with particular emphasis on the role of local government.

3. The design of effective machinery for intergovernmental co-operation and consultation in meeting the problems and challenges identified above.

Considering, as the Economic Council of Canada pointed out in its 1967 report, that Canada had the fastest rate of urban growth among the industrially advanced countries for the post-war period as a whole, that about three-quarters of our population now lives in urban areas and it is anticipated that the percentage will rise to 90 per cent by the year 2000, that the problems posed by rapid urbanization already exceed the resources of municipal governments, extend beyond the limits of any given urban centre or region and are common to many areas throughout various provinces across the country—considering all of this, honourable senators, you will understand that the agenda of the conference invited long and frank discussions of major problems now facing Canada and each level of government. I need only mention housing, poverty, transportation, environment, social unrest, planning and lack of financial resources.

Some honourable senators may ask how federal responsibility enters the picture since municipal institutions are assigned by the Constitution to the provinces. The fact is that there is hardly a federal department that does not play a role in cities and towns across the country. Consider the impact on urban development of federal responsibility for transport, whether by road, rail, water or air; for housing, through NHA financing of public and private housing; for water and sewage treatment, through financing of infrastructures; and for land use, through development of federal properties affecting urban core renewal. It is thus clear that a concerted policy to deal with urbanization, within constitutional limitations which must be respected, calls for effective consultation involving the provincial governments, to whom primary responsibility is attached, the municipalities, who are closest to the problems of urbanization, and the federal government, whose responsibility extends to various aspects of urban development.

Accordingly, the conference, as I say, the first of its kind since Confederation, unanimously agreed that:

1. Tri-level consultations may be arranged with any province or group of provinces addressed to matters of essentially regional or provincial concern. Such consultations can be initiated and held as soon as the necessary arrangements are made by the three parties concerned.

2. A further national tri-level conference will be held before the end of 1973 addressed to matters of essentially Canada-wide concern, the time, place and agenda to be determined by the three co-chairmen—that is, the Minister of State for Urban Affairs, the provincial Minister of Municipal Affairs designated by the annual meeting of provincial ministers of municipal affairs, and the President of the Canadian Federation of Mayors and Municipalities.

3. There will be no permanent secretariat but the federal, provincial and municipal governments agree to second staff on an ad hoc basis to prepare for the next consultation.

I submit, honourable senators, that the Toronto conference marked an important step forward in the process of inter-governmental consultation and cooperation which is so important for the proper functioning of our federal system. For the first time, representatives of the municipalities as such met around the table with representatives of the federal and provincial governments to consider common problems jointly. To those who expressed disappointment that more tangible and immediate results were not achieved, I must point out that the purpose of the conference was consultation. It could not be decision-making. It was the beginning of a wider form of consultation, a forward step from which I do not believe that we will retreat.

Honourable senators, I conclude by reiterating the main point of my remarks. In a country the size of Canada, divided into five economic regions, and with basic language and cultural differences, the increasingly complex problems of society call for continuous inter-governmental consultation and cooperation. This, in my opinion, is the underlying theme in the Speech from the Throne which we have been debating.

Hon. F. Elsie Inman: Honourable senators, first of all I wish to extend to Madam Speaker, the Honourable Muriel McQueen Fergusson, my very sincere congratulations on her appointment to the Speaker's Chair. It is, I am sure, a great satisfaction to all of us to see her there. I have known Senator Fergusson ever since I came to the Senate nearly 18 years ago. We have been sitting together in this chamber during that time. I appreciated greatly her assistance and encouragement when I was a new senator and beginning to find my way.

Madam Speaker is the first woman to enjoy this high honour at the federal level in Canada. She is well versed in parliamentary procedure, as we all know, and is highly qualified to occupy this position in every way, being a most gracious, dignified hostess and a favourite among her colleagues here. Her appointment was welcomed, I am sure, by every senator, as well as by her friends elsewhere, and by the various organizations with which she is associated. Indeed, her appointment honours all Canadian women.

The Prime Minister made an excellent choice when he appointed the new Speaker of the Senate. He showed, too, that he has faith in the ability of women to hold responsible positions. Now we have the great pleasure of having a favoured woman in the Speaker's Chair in the Senate. As you know, there are now eight women sitting in this House of Parliament and five women in the House of Commons.

Honourable senators, to the mover and seconder of the Address in reply to the Speech from the Throne, I offer my congratulations. Their speeches were interesting. Senator Hicks is a well-known and admired speaker. It is always a pleasure to listen to him. Senator Lafond com-

mands undivided attention. He is factual and he displays a sense of humour that makes his speeches a pleasure to hear.

• (2100)

At this time I extend a warm welcome to all the new senators who have recently been appointed to the Senate of Canada. It is a particular pleasure to welcome Senator Neiman to increase the number of women in this chamber. I feel we have gained outstanding additions to our numbers in experience and ability. I hope you will all enjoy the tenure of your office. I know you will contribute to the work of the various committees and other duties pertaining to the Senate.

To Senator Deschatelets who presided as Speaker during the last Parliament with such finesse and fairness, I extend best wishes that he will enjoy his leisure from the demanding duties as Speaker.

It is a pleasure to see Senator Martin, Leader of the Government, and Senator Flynn, Leader of the Opposition, again in their seats.

Canada has recently lost one of her outstanding citizens, the Right Honourable Lester B. Pearson, whose name will long be remembered throughout the world with great honour and respect. All Canadians mourn the passing of a man who was one of Canada's most outstanding and well-beloved citizens.

A short time ago, too, we were again saddened to learn that the Honourable George Drew had passed away. Mr. Drew served Canada well while his health allowed. Unfortunately his political career was shortened because of ill health, but he will long be remembered by all who had the pleasure of knowing him.

Honourable senators, the Throne Speech has been well and truly debated by the senators who have spoken previously, but there are a few items on which I wish to comment. I was pleased to hear in the Speech from the Throne that the government is taking a long look at our social policy with a view to improving it. This is long overdue and I look forward to satisfactory results. I would like to see the guaranteed annual income instituted, and I hope it will soon become a fact.

I was disappointed that no mention was made about the establishment of day care centres. These centres have become very necessary in this day and age when we have so many working mothers in our society. Day care centres have been established for some generations in such countries as France. Children need special care during the time when they must necessarily be separated from their working mothers.

I was pleased to hear in the Throne Speech that our Prime Minister, among other welcome measures, intends to make more provision for senior citizens by way of low-priced housing, by raising old age and other pensions, and especially to provide for those who cannot work for various reasons. All in all, the Throne Speech should have been well received by Canadians everywhere.

Honourable senators, it is some time since I have spoken in this chamber about my native province of Prince Edward Island. And since this is a very special year for us, and since perhaps some honourable senators are not very familiar with the Island, I decided this would be an opportune time to tell you something of the history and events which have led to this centennial of Prince Edward Island's entry into Confederation in 1873.

The idea of confederation in Canada was not a new one, for as far back as 1810 an enterprising colonist put forth a confederation scheme but nothing came of it at that time. The name of this person escapes me. Perhaps some more learned senators may recall who it was.

In 1814, a Chief Justice of Quebec, Mr. Justice Sewell, submitted a plan of confederation to the Duke of Kent, Queen Victoria's father, without any response. He repeated this plan in 1822. Many leading citizens supported this movement; among them were William Lyon Mackenzie in 1831, and Bishop Strachan in 1838.

In 1849 a group of people calling themselves the North American League met in Toronto and discussed the confederation of the two provinces of Upper and Lower Canada.

In 1854 the Legislature of Nova Scotia adopted resolutions recommending a closer union of the British North American Colonies, although Nova Scotia was not in favour of a confederation of all the provinces at that time but was in favour of a Maritime union under one government.

These efforts for a union might be termed the genesis of Confederation.

Everyone knows, we hope, that the present Confederation started in Charlottetown on September 1 in the year 1864 at a meeting called by Sir Charles Tupper, then Premier of Nova Scotia, when the governments of Nova Scotia, New Brunswick, and Prince Edward Island met with the hope of uniting the three provinces.

While this meeting was going on, a ship arrived from Quebec with six ministers of the Crown, headed by Sir John A. Macdonald who proposed a wider union of all British North America. Discussions were carried on further in Quebec, and Confederation was confirmed on July 1, 1867, by the British government in the British North America Act. The Dominion of Canada included the provinces of Nova Scotia, New Brunswick, Quebec and Ontario. In the Confederation chamber of Prince Edward Island's Provincial Building in Charlottetown a bronze tablet bears the following inscription:

> In the hearts and minds of the delegates who assembled in this room on Sept. 1, 1864, was born the Dominion of Canada—Providence being their guide, they builded better than they knew.

When Confederation became a reality in 1867, a great pressure was brought to bear on stubborn little Prince Edward Island to become a Canadian province. The Colonial Secretary urged the Island to join Canada and suggested that otherwise Prince Edward Island might have to pay its governor's salary.

One would think that threat would have the desired effect, but Island people have always been canny and they waited for a better bargain.

The Canadians then imposed a duty on Island exports, but the Island remained firm in its stand. Later, three members of the Canadian Cabinet came from Ottawa to offer more generous terms, but all to no avail. The Island

remained obdurate and would not bend to threats or bribes.

The Island at the time of the first meeting in Charlottetown had closer ties with the United States than with Canada. She was afraid that reciprocal free trade would damage her trade with the United States, and the States was too good a customer to lose. Therefore, the Island was as unresponsive to the suggestion of a close economic relationship with Canada as she was for a closer political union.

By 1871 the Island realized that progress must be acknowledged. An act was passed in two days by the Island government of the day for the construction of a railway line from the east coast to the western area of the Island.

The rail line was to cost more than $5,000 a mile and it was badly needed. The roads were impassable at times in spring, autumn and winter. No journey of any length could be made by land in these seasons. Also, it was considered a railway would aid the economy of the Island, trade would increase, resources could be better developed, and communications between points on the Island, and also with the mainland, would be improved.

The cost of the railway was very great for the population of 80,000 people of Prince Edward Island at that time. There had been no overall contract for the job and the line meandered around every little stream and hill in the country. Even in those days, I am told, some graft crept in. The Island realized it could not stand alone any longer, and the only recourse was to approach the Dominion government with amended terms to join Confederation. Negotiations took place toward this end. The Islanders of the day drove a hard bargain, and finally Ottawa consented to their demands and they were received into the Dominion on very generous terms indeed.

Not long before Confederation, the question of Maritime union occupied the thoughts and considerations of the Islanders. There is a story about the early meetings in the Maritimes that would lead one to believe that, in addition to a Maritime union, there were plans to join up with the New England States. That was where their markets for fish and farm produce were, and that is where their relatives were. There is a strong belief that news of this proposal reached the gentlemen up in this part of the world, and that fear of such a union led those gentlemen down to Charlottetown to pay a call during the meetings.

• (2110)

This story was always resurrected when our manufacturing facilities had to close down because of the early freight rates problem. There are still some older people who believe the Maritimes would have been better off in the United States of America. It is not an easy argument to win.

I would like to remind honourable senators that Maritime union ideas never really die. A Maritime union between the provinces of Nova Scotia, New Brunswick and Prince Edward Island was discussed at a meeting in 1862, but nothing came of it. However, from time to time there have been suggestions for renewal of the subject until today it is a live issue, although more of an economic question. The premiers of the three provinces now periodically hold meetings and discussions with such a union in view. All honourable senators know of the Atlantic Provinces Economic Council, which has been operating for a quarter of a century and which has led up to today's Council of Maritime Premiers.

An agreement establishing the Council of Maritime Premiers was signed in Fredericton on May 25, 1971. After the signing of that agreement, the three legislative assemblies of the Maritime provinces passed a bill giving the Council of Maritime Premiers formal status as the agent of the three provinces. With this legislation, all three provincial governments may now enter into agreements to have specific administrative operations or activities conducted on a regional basis by the Council of Maritime Premiers. To date the council has held seven formal meetings, with the result the three governments have agreed on various projects and undertakings which concern the three provinces.

To those of us who believe in Maritime union it would seem that progress is being made toward that end. Union will not be accomplished in the very near future, but it does seem the only possible answer to many of our individual provincial problems.

Prince Edward Island is small in area, about 1,400,000 acres, and the population is 110,000. The provincial flower is the Lady's Slipper. In the past 25 years there has been more change than in the previous 40 or 50 years, but throughout all the changes Prince Edward Island remains unique. It is, of course, the only island province. We have only three counties in the Island and they are royal—Kings, Queens and Prince.

The Islander, individually, welcomes change and progress. Our people are noted for their hospitality. They love an anniversary and welcome the opportunity to celebrate the biggest one of all this year—their own Confederation Centennial.

I was pleased to see in the Throne Speech that the tourist industry was mentioned, and that measures are to be taken to further the development of tourism. This industry is one of the fastest growing of our Canadian industries, and is a source of quick income to many of our people. Each province has its own attractions and money granted from the federal Treasury for this purpose will be well spent. In Prince Edward Island tourism has risen to be our second largest industry, and we believe soon it will be our biggest income-producing industry.

The Island has a charm all its own that lures the visitor back again and again to spend a vacation in this lovely and hospitable spot. Prince Edward Island has many historical places and points of interest, and the fact that this year we are celebrating our own Centennial of Confederation will no doubt make our people and our visitors more aware of the Island's history and traditions.

In many ways the Island is a rich province, for where else in the world could 110,000 people have $100 million worth of highways? We have real estate in our cities, towns and countryside valued at $450 million; $100 million worth of universities, colleges and schools; and $50 million worth of boats carrying passengers to and from our Island. We have two airports where large planes can land,

and good air connections with larger centres. Ten million dollars worth of cars travel our roads.

Hon. Mr. Choquette: May I be permitted a question, senator? Are there any of Acadian descent left on the Island and, if so, approximately how many?

Hon. Mrs. Inman: I do not recall the figures in the last census, but before that about one-third of the total population was considered to be of Acadian descent.

Prince Edward Island has four national parks and 27 provincial and 48 privately-owned campgrounds. Numerous hotels, motels and tourist homes provide accommodation for those who do not care for camping. We have seven golf courses, four of which are rated as championship courses and among the best in Canada.

Hon. Mr. Martin: Senator Choquette should go down there.

Hon. Mrs. Inman: Honourable senators, I would like to mention a few of the many attractive places to vist when on the Island. Woodleigh Replicas at Burlington must not be missed by those who come to visit our Island. Here one can see large-scale replicas of famous castles, cathedrals sixty feet long, fully-furnished Dunvegan Castle, a huge reproduction of the Tower of London with full-scale British Crown Jewels, and many other interesting replicas. There is nothing anywhere in the world comparable to this collection of historic buildings created by Lieutenant-Colonel Johnston and his son.

Green Gables, of course, is a very famous spot, made so by our well-known Island author, Lucy Maude Montgomery. I had the pleasure of personally knowing this lady, and I only wish she could have lived to realize how much fame she has brought her native province. Scattered throughout the province other places to visit are museums, wildlife parks, an Indian village, a pioneer village and floral gardens, to name a few.

We have been first to initiate a number of our present utilities. The first telegraph and telephone cables in America were laid between Cape Traverse, Prince Edward Island and Cape Tormentine, New Brunswick. The first automobile was invented and built on the Island in 1866 by Reverend Father Belcourt. The first divorce law in Canada was passed in Prince Edward Island in 1834.

Hon. Mr. Choquette: Is that good?

Hon. Mrs. Inman: There are other firsts: The fox industry, for instance, which brought a goodly measure of prosperity to our province until we got too generous and let others into the secret of raising black and silver foxes.

Here, too, you can eat the finest oysters and lobsters in the world, see some of the finest beaches and swim in the warm and health-giving waters which surround us. Our potatoes are the best to be found, and now tobacco farming is a big industry.

Tourists and Islanders alike find their greatest pleasure and contentment in a countryside that is peaceful and quiet. There are no great forests, only woodlots; no waterfalls, only placid streams; no mountains, just rolling hills patterned with productive farms well tilled and producing fine crops. Perhaps that is why one finds here so many people living into their nineties, and sometimes attaining 100 years of age and over. It may be that if you take life quietly you may get to enjoy a bit more of it.

And now a hundred years have come and gone since 1873—a century of events both happy and unhappy. Besides being the centennial of our entry into Confederation in 1873, this is also heritage year. In celebrating 1873, Prince Edward Island is throwing a year-long party—the biggest party we have ever had.

Most people will remember that a larger political entity set this example a few years ago. In 1964, 100 years from the time Confederation began in Prince Edward Island, we celebrated Confederation. Again in 1967, 100 years after some of the provinces united, we had another party. Now in 1973 we plan the final and greatest of all Confederation celebrations—100 years after Prince Edward Island joined Confederation. The Island, as it is called, is the only province in Canada that is entitled to have three such celebrations.

• (2120)

Prince Edward Islanders are proud of their heritage. We have a mixture of English, French, Scottish and Irish cultures, and because of this we hope to preserve for future generations this heritage. An act was passed by our legislature a couple of years ago to study our history, our historic places and items of interest, our historic sites and architectural designs. This act is called the Prince Edward Island Heritage Foundation Act.

Charlottetown, the capital of the Island, is still a quaint city, with many marks of the early colonial days to be seen. Our Government House was built in 1843, a beautiful old colonial style home set in spacious grounds facing the beautiful harbour. Here will be held many of the social events of the coming Centennial.

The first event of great importance was the visit of Their Excellencies, the Governor General and Mrs. Michener, to open the Centennial celebrations. Outdoor festivities began the evening of the last day of the old year with speeches, a large illuminated birthday cake on the square outside Province House and fireworks, followed by a ball in Confederation Centre.

On New Year's Day, the first Governor General's New Year's Levee held outside of Ottawa took place in our Government House. His Excellency was assisted in receiving by our Lieutenant Governor, the Honourable George MacKay. During the morning Her Excellency, Mrs. Michener, received the ladies of Prince Edward Island in old Province House. Mrs. MacKay, wife of the Lieutenant Governor, received with her. Although the weather could not have been much worse, between 500 and 600 women came to be received by Her Excellency.

There will be many outstanding events during the year. The visit of the Queen in July is eagerly anticipated by everyone.

There will be Community Days throughout 1973, being one special day within each Island community to commemorate the 100th Anniversary of Prince Edward Island's entering Confederation.

Since the Royal Canadian Mounted Police are celebrating their own Centennial this year, they will be participating in ours. The famed Musical Ride will be performed in

Charlottetown. There will be a fireman's tournament, car rallies and many other attractions.

We are having a dollar minted from nickel to commemorate our entry into Confederation. The design will depict a replica of Province House, Prince Edward Island's Legislative Building, and will be a fine memento of a most important event in our history.

The Island is growing and developing, and a generation hence will be as different from the province we know today as it is from the Island of the time the Fathers of Confederation held their first meeting. But for all the changes that may come, I am sure that we, and the generations after us, will remain Canadians with our culture, our ideals, and our dreams rooted in our history.

Honourable senators, I hope that as many of you as possible will visit my province, and help us celebrate our Centennial.

Hon. Eugene A. Forsey: Honourable senators will be relieved to hear that, at this hour of the night particularly, I do not intend, or at all events do not expect, to detain the house for long.

The first thing that I should like to do, naturally, is follow the example of other speakers who have taken part in this debate and extend to Her Honour the Speaker my very warm congratulations.

[*Translation*]

In my opinion, honourable senators, this is one subject on which we are completely unanimous. We are all very pleased with the appointment of Madam Speaker and all very proud of it. I congratulate not only Madam Speaker herself but also the government which made the appointment and the Senate that benefits from it. Succeeding our beloved former Speaker, the Honourable Senator Deschatelets, is no mean task, but I am confident Madam Speaker will do so with distinction, and in a manner which will do us honour.

[*English*]

I should like, as a native of the Atlantic provinces, to express my special pleasure that a senator from the Atlantic provinces has been appointed to the Chair of this house, and a very particular pleasure in that Your Honour the Speaker is a graduate of Mount Allison University of which both my father and mother were graduates and for which I have a very special affection—not, of course, equal to that of a graduate of that university itself, but nevertheless a special affection, shall I say, once removed.

I should like also to congratulate the various new senators who have taken their seats. I need hardly dwell on what has already been said so fully and so gracefully by other speakers. I am sure we shall grow to admire them more and more and to appreciate more and more the distinguished contributions which they will be making to our proceedings.

That brings me, of course, to the usual congratulations to the mover and seconder of the Address. Unfortunately, commitments which I had made some considerable time ago—I think, indeed, long before this Parliament was legally constituted—made it impossible for me to be present for the speeches of the mover and seconder, or indeed for most of the other speeches in this debate. I had to be out of town, and I regret very much that I missed these speeches because having looked at them and over them—I can't say that I have read every word of all of them—I have been immensely impressed by the quality of the speeches.

We sometimes hear suggestions that in this chamber we are rather a second rate lot. I can only say that after reading and hearing a great many debates of the other place, even some of the recent debates, I am convinced that the debates in this chamber are fully equal to those that take place in the other place, and indeed often, and I think in this particular instance, perhaps superior.

There is one advantage in speaking at this stage in the debate. That is that nearly everything that needs to be said has already been said, and said more than adequately. I could single out particular speeches which especially impressed me perhaps, such as that of the Honourable Senator Cameron, which I read with great joy, partly because it touched on a number of subjects I was especially interested in. I should like also, before I get into the main part of what I want to say tonight, to thank the Honourable Senators Haig and Belisle for the very kind remarks they made about my being appointed Chancellor of Trent University. That position, of course, is a purely honorary one—honorific one, should I say. It involves no duties whatsoever except presiding twice a year at convocation.

One friend wrote me in some alarm—flattering alarm—that he hoped this would not prevent me from performing my duties in the Senate. I was able to assure him that it would not do so. I told him that it was an ideal job for an elderly gentleman, in that it involved practically no work at all. The most serious burden which it imposes, I understand, is that of wearing a gown twice a year which weighs four pounds. I don't know that I shall appear in the Senate after that bowed down with the weight of the gown if not with the weight of office, but, if I do, honourable senators will understand why I suddenly appear to have become even more decrepit than before.

I am not going to say very much about the content of the Speech from the Throne, partly for the reason I have already mentioned—that it has already been adequately and admirably discussed—and partly because, while it seems to me an admirable menu set before us, a good deal will depend on the actual dishes when they appear before us, which I presume they will, and I hope with enough time for us to eat them comfortably and digest them adequately. The proof of the pudding will be in the eating, and when the various puddings come back before us I may have something to say on those of them where I feel myself competent to pronounce an opinion, if not of a gourmet or a connoisseur, at least of an ordinary person who thinks he has some capacity to judge a good menu, a good plate, a food dish.

• (2130)

Meanwhile, I propose merely to discuss rather briefly certain matters which were raised the other night by Senator O'Leary. I do so with some regret, because my admiration—my constant and unvarying admiration for Senator O'Leary's gifts as a writer and as an orator—was somewhat tempered the other evening by some of the things he said with which, I must say, I find it very hard to agree. On the other hand, I think he has, perhaps, been rather unfairly blamed, so what I have to say by way of

commentary may be rather a mixed bag. Some of it he and his friends may like; some of it they may not like.

I want to express myself, also with a certain degree of moderation and temperateness about this. I hope I shall not allow myself to be carried away into injudicious observations. This will probably be easier for me to do in English than in French. Quite apart from the fact that I am more at home in English, the spirit of the language lends itself more to temperate statements, shall I say, at least in those of almost purely English extraction like myself. The spirit of the language reminds me—and I cannot resist regaling the Senate with this en passant—of an occasion when I attended a congress of the International Confederation of Free Trade Unions. The delegate from Cyprus made a most virulent series of attacks in the most violent language upon everything British—the British Government, the British Trades Union Congress, everything and everybody British. When he had finished a delegate from the British Trades Union Congress rose, buttoned his coat and began a most beautifully English speech: "Mr. President, the delegate from Cyprus has discussed the situation on that island with a certain degree of warmth. I trust I shall not be considered immoderate in my statements if I say that he appears to me on certain matters to have somewhat minimized some facts which appear to me to be relevant. Without expressing myself, I hope, in intemperate language, I venture to say that he has, perhaps, overlooked certain facts which may be important." Then I suddenly thought, for what reason I do not know; "I wonder what they are doing with this in the French translation." I twirled the little button on the apparatus for getting the different languages and to my enormous astonishment heard the most furious, violent, Gallic eloquence, and I looked around and there was the interpreter in the interpreter's booth gnashing his teeth and waving his fists, and saying "Ar-r-r." A frightful row was going on, and I said, "Hello, the chap must have changed his tune." So I turned back to the English language and I heard, "On the other hand, Mr. Chairman, I fear that perhaps the delegate from Cyprus has somewhat exaggerated . . ." and I looked around and there was the interpreter again gnashing his teeth, waving his fists and shouting at the top of his lungs. Well, I am not sufficiently proficient in French to be able to emulate that gentleman. I shall, I hope, be able to express myself, if not quite in the same fashion as the English delegate on that occasion, at least with some moderation—

Hon. Mr. Martin: You should have heard the French translation of what you were saying a few moments ago.

Hon. Mr. Forsey: That is a privilege I did not have. This business of being partially deaf prevents me from hearing either the witticisms of the Leader of the Government or those of the Leader of the Opposition. It is great deprivation, one of the many imposed upon me by the advance of years.

The main thrust of what Senator O'Leary had to say the other night had to do with the present situation of a minority government. Senator O'Leary was extremely severe upon both the government and the New Democratic Party for their behaviour in this situation. He called the co-operation, if you want to put it that way, that is taking place between them now—the rather tentative co-operation that is taking place between them—a mere alliance for survival. He implied, as many other critics of both parties have, that it was an utterly unprincipled performance. Attacks have been made on the government in that regard and there have also been attacks made on the New Democratic Party, particularly by the Conservative Party. I could not help wondering, as I listened to these attacks, both by Senator O'Leary and others, what the Conservative Party would have done had it taken office in this same position. My impression is that immediately after the election it indicated that it was perfectly prepared to take office in this position; perfectly prepared to take office and try to work this Parliament; to carry on government in this Parliament. Well, I wonder what it would have done if it had taken office and was not prepared to work in some kind of co-operation with the party that holds the balance of power in the House of Commons. It may be argued that it would not have engaged in quite the same kind of co-operation or quite the same degree of co-operation as is said to exist, or appears to exist, at the moment and for the moment, between the government and the New Democratic Party in the other place. But I do not see how it could have lasted very long as a government unless it had been prepared to do something to secure the support of the New Democratic Party, unless, of course, its sole desire was to ride for a fall, and bring on a fresh election at the earliest possible moment. Perhaps that is still its idea. Perhaps it hopes that it can defeat the present government in the other place, take office and almost immediately suffer defeat itself, and then declare, as it would have some reason to in the circumstances, that, in the phrase of Sir Winston Churchill, "The utility of this Parliament is exhausted," there is no further possibility of carrying on the government, both the two major parties having been rejected by the House of Commons. If it is really riding for a fall—if it is really saying that if it gets the opportunity to form a government it will not try to carry on in this present Parliament but will try to get an election at the earliest possible moment—then I think we ought to know this, because this makes a very important and serious change in the whole position of the government and of Parliament. If it is not proposing to ride for a fall if it secures office in this Parliament, then I do not know quite what the basis is for the kind of criticisms that we heard the other night. Of course, this idea of riding for a fall may be a very attractive one, because a good many people in the Conservative Party, and certainly outside it, are under the impression that if a fresh election took place in the near future it would be a repetition of 1958—that the New Democratic Party would practically disappear from the other place and the Liberal Party would be decimated.

Well, I think that is a very unsafe sort of bet. It could happen, it is quite true. It could happen, but I think it would be most unsafe to count upon it. There is a theory in some quarters that elections are held for the purpose of giving somebody a clear majority; that this is the proper answer to the sum which the electorate is called upon to work out; that the proper answer is there in the back of the book and that if the electorate is so stupid that on the first try it got the answer wrong—it does not give somebody a clear majority—then it should be spanked by a series of elections until it gets the answer right. It should

be told, "Look, the proper answer is right there in the back of the book. You silly kid, you haven't got it right. Now go at it again. You did not get it right that time, either; try to get it right this time or we will give you another spanking."

• (2140)

Hon. Mr. Choquette: That is what happened in 1962, 1963, and 1965.

Hon. Mr. Forsey: I am coming to that in a moment.

Hon. Mr. Choquette: You are always coming to it in a moment.

Hon. Mr. Forsey: Just a minute, I am coming to it, if you will have a little bit of patience. I am sorry to ask so often of others a quality I am deficient in myself, I know. This spanking theory does not always work and this is precisely what I was coming to, the point that Senator Choquette has raised.

In 1962 the electorate did not elect any party with a clear majority, so in 1963 they were invited to start again, and then they got it wrong again. They did not elect any party with a clear majority. In 1965 they were invited to do it again and they got it wrong the third time. That is one way of looking at it.

The other way of looking at it is that the people of this country have the right to vote as they see fit. If a certain number of them want to vote for a third party or a fourth party, they have a perfect right to do so. It is perfectly possible that, being strong-minded or strong-willed people, they will decide to go on doing so. The assumption that the third or fourth parties will disappear, like a bad dream, that they will vanish like a nightmare when one wakens up, is a very unsafe assumption. We have had a multiple party system in this country now since 1921. Sometimes it has not been a very important part of our system, but sometimes it has.

For six-and-a-half of our last fifteen years we have lived under a minority government, and I think it is most unsafe to assume that we shall get back to the dear dead days when "every boy and every gal born into the world alive was either a little Liberal, or else a little Conservative." We may, and we may not. We may be in for a long period of minority government and we may have to learn to live with this; and we may have to realize certain things which are fundamental to parliamentary government but which have become obscured in this country by the fact that for so long we have had a stable two-party system.

Elections are not held for fun, they are held for serious reasons of public policy. The public should not be dragged to the polling booth and drenched with election oratory just because it suits the convenience of a particular political party.

The people have some right to a little degree of peace, a small degree of peace, a little quiet between elections, and they have some right to expect that when they have gone to the trouble and expense of electing a Parliament, that Parliament is going to make a serious effort to transact business; and if it cannot do it under one party it had better have a try to do it under the other party. These are simple facts which I think ought to be borne in mind, and which we may have rubbed into us by the force of circumstances before we are very much older.

I do not particularly look forward to this. I think there are both advantages and disadvantages in minority governments. I shall not at this hour attempt to go into that, but I do say that this is the possibility we may have to face and that we may find that, when we say hard words, which we may be inclined to regret sometimes, about the two minor parties, the moment may come when we shall have to don a white sheet, one or other of us, and say, "Yes, we know we said those things, but, after all, if we are going to get business transacted in this Parliament someone has to have your support, and we had better learn to keep a civil tongue in our heads, to the extent we can, in order to get that support."

Senator O'Leary, of course, in effect brushed all this aside by saying that we did not really have a minority government now. That was a little bit of Humpty-Dumpty-ism. "When I use a word," said Humpty-Dumpty, "it means just what I choose it to mean, neither more nor less". I do not know what you could call this but a minority government.

He was very insistent that the popular vote it got was too small. I challenged him. He told me to go and look up the results and analyze them. I looked them up and I did a bit of analysis. I found that instead of the government having got 32 per cent of the popular vote in the last election, it had got, according to the Canadian Press summary, 38.5 per cent. I might add that the Conservative Party got 35.1 per cent. When I suggested that they had got something like 38 per cent, Senator O'Leary said that the government was on trial; that the Conservatives were not on trial, that it was the government that was on trial.

It was at that point that I think Senator Lamontagne said, "What about 1962?" I looked up 1962 and, lo and behold, in that election, the Conservatives—who were the government, and who, according to Senator O'Leary's view, were therefore on trial—got 37.31 per cent of the popular vote. But they continued in office, as in fact they had a perfect right to do. This government has continued in office, as in fact it had a perfect right to do.

This arises from the very nature of responsible government. Responsible government means government by a Cabinet with a majority in the House of Commons. If we come out of an election with no party with a clear majority, while it is perfectly true that a government, any government, can then say, "We are throwing in the towel, we are not going to try, we do not think the new House of Commons will support us," it is also true that the only ultimate way to find out whether a government with a minority representation from its own members can secure a majority in the House of Commons is to try. Let it come, let it ask the House of Commons; and then, if the House of Commons says, "No, you have not got a majority, we want somebody else," you have got your answer; it is your final answer.

Senator O'Leary said that the electorate had said to this government, "Go, in the name of God, go." Well, I think it could quite as easily be said that it had certainly not said to the Conservative Party, "Come, in the name of God, come." I do not think that it said anything very definite one way or another.

Hon. Mr. Choquette: The distance was longer to run.

Hon. Mr. Forsey: Just a moment. A certain proportion of the electorate voted for the Liberal Party; a rather smaller proportion voted for the Conservative Party; and a considerable proportion, an appreciable proportion, voted for the other parties. The only way to find out, under a parliamentary system—we are not living in a plebiscitary democracy, where we put a question à la Mussolini or à la De Gaulle, to the electorate; we are living in a parliamentary democracy—the only way we could find out whether the representatives of the people wanted a Liberal government or a Conservative government was to put the question to them in the new House of Commons, and that is what we have done. It is Parliament, in these circumstances, that says "Go" or "Come." It is Parliament. In other circumstances, if you have got a clear majority for one party or the other, of course it is the electorate that says it. But in these circumstances it is Parliament which makes the decision and which gives the final answer to any claim that may be made.

I am not going to say anything about the assertion by Senator O'Leary that I knew well—and he added an expletive which I shall spare the house—that in effect what I was saying was not so. I think I probably know as much about this subject as the average person, possibly a little more. And I think that I could, if I had time and if the Senate had patience, set forth at some considerable length my reasons for believing that the version of parliamentary government which I have just been touching on is the correct version.

I want to add just one thing, about this particular part of Senator O'Leary's remarks. He said that he did not know why I had become in this house an apologist for the party which in days gone I had denounced as incompetent or worse. I could tell him why I am sitting here. I told the house when I first came here why I am sitting here and not with the Conservative Party in which I was brought up, or with the NDP—there are no NDP members here, but as an Independent—to whom I might be expected to adhere, in view of my membership in the CCF when it was the CCF.

• (2150)

I can simply say this: that in the past when I denounced Liberal governments and Liberal policies I did it for what appeared to me to be adequate reasons. They still appear to me to be adequate reasons. I don't take back one jot, one tittle, one iota, one syllable, one comma of what I said about past Liberal governments. I am perfectly ready to admit I may have been wrong, but I have not changed my opinions on this matter.

In the words of my old friend and leader, Arthur Meighen, my opinions on these matters "stand unrevised and unrepentant." But as I told the house when I first came here, I did not come here to fight the war of 1870 or the war of 1914. I think on the great questions confronting this country now, by and large the Liberal government is right. At any moment when I become convinced that it is wrong I am perfectly prepared to get up and denounce it in as strong terms as ever I denounced any government. And the proof of that, or a small indication of it, is that during the last session of this house I got up and attacked the government very strongly on a particular matter where I thought it was wrong, and I am perfectly prepared to do so again. But it will require sufficient cause to make me do it.

I strongly resent any suggestion that I have turned my coat, especially—though this was not suggested by Senator O'Leary, who merely professed himself baffled—especially that I have turned my coat because I have had some inducement to do so. I want to make it perfectly clear that I could have sat in this house as an Independent. That was made plain to me by the Prime Minister himself. And I have had some reason to believe since that various people prominent in the Liberal Party would have been better pleased if I had sat as an Independent. That is a view which I can understand. At any rate, I did not think it would be quite playing the game.

Now, I just want to finish with one very brief comment on the other matter which Senator O'Leary devoted some time to, that is, the question of the attacks in past days in Quebec on the Conservative Party for racism.

I must confess, honourable senators, that I am not very happy about what has been said, in fact, with most of what has been said, either in the other place or here on this question of racism and the alleged English Canadian backlash and so forth in the last election. I am not by any means sure that the various statements made on the subject have been particularly judicious or happy. This may be a prejudiced view.

Hon. Mr. Asselin: Hear, hear.

Hon. Mr. Forsey: But this is the way I feel.

At the same time I must confess that I felt a certain degree of sympathy with what Senator O'Leary said on this subject. Senator Goldenberg has said that he was provoked—he himself was provoked—by what Senator O'Leary had said about the Minister of Transport, Honourable Jean Marchand. I am not altogether surprised by that, although I do not think that really Senator O'Leary was so much attacking Mr. Marchand as suggesting he was rather new, relatively new, to parliamentary life and did not perhaps realize quite all the history of this subject. But I think that Senator O'Leary was himself provoked by the tone of some of the observations that had been made in the other place and I cannot say I altogether blame him. After all, I cannot say with Senator Goldenberg that I was born in Quebec and lived most of my life there, but I did live there for 16 years. I lived there during most of the 1920s and 1930s and I can remember very vividly the kind of attacks that were made in those days on the Conservative Party in the province of Quebec. I think that every word Senator O'Leary said about them was true and, indeed, could have been amplified and extended at some length. I have a very vivid recollection of that, and I must say that for anybody who went through that it was a horrible experience. I can't say that I went through it personally, myself, except that in the early part of those years I was Vice-President of the McGill Conservative Club and had a certain amount of personal interest in the thing that way, and I was, of course, a devoted friend, and at that time follower, of Mr. Meighen.

Hon. Mr. Choquette: You have had a colourful career.

Hon. Mr. Forsey: Yes. Variegated. Psychedelic, shall we say. But I can remember what went on and I must say that for anybody who went through that experience, as Senator O'Leary did, or, I think, as did most Quebec Conservatives of Senator O'Leary's generation or my generation, and I might add some French Canadian Conservatives from outside Quebec, the things that took place then are impossible to forget and very hard to forgive.

I am rather sorry that Senator O'Leary raked the thing up, but I think in extenuation of what he said this might perhaps be mentioned. And there was one factor that he did not mention and that was that during the time these attacks were taking place—and they were most gross and unprincipled attacks in many cases—that during the time these attacks were taking place, in the rest of the country the leaders of the Liberal Party were talking in lofty and, indeed, one might almost say, ecclesiastical tones about national unity. This was another thing that made it very hard to bear.

But I think the less we say about these things now the better. These should be "old, unhappy, far-off things, and battles long ago." And I am inclined myself to say, perhaps because of the variegated career to which Senator Choquette referred, I am rather inclined myself to say to both the Liberal Party and the Conservative Party on this subject, "Let him among you that is without sin cast the first stone," and also to add, "Go and sin no more."

As for the NDP in this matter, I can only observe that I am not well enough aware of what their Quebec wing, such as it is, may now be doing. I hope it is behaving itself with the immaculate purity which one expects of that party, but I confess to some lingering suspicions that perhaps there have been times when people in the Quebec wing of the NDP have not always been quite as lofty, pure and upright in this matter as they might have been. Perhaps, therefore, the exhortation to the two old parties to consider these things as past, long past now, and to desist from this kind of thing in future, perhaps these exhortations should be addressed also to the NDP. I don't know. They can decide for themselves whether they have been culpable in this matter and, if so, what they propose to do about it.

I think, honourable senators, that that is all I have to say at present. It may seem deplorable that I haven't got something to say about the particular items from the Speech from the Throne, many of which are of tremendous interest to me as well as to everybody else in the country, but I think I should have the opportunity to comment on those in detail when they come before us in detail with the specific proposals which the government has to offer. At present they are couched in somewhat general terms. I find them attractive; I find them agreeable; I find them, I think I can say, truly liberal, with a small "l". I cannot see that there is anything in them that is contrary to liberal principles. If somebody says, "Well, the Liberal principles seem to have taken on, shall we say, an extra vigour since the election," I can only paraphrase the words of Dr. Samuel Johnson, when somebody complained that Dr. Doddridge, I think it was, or some personage who was being hanged, had issued an apologia for his career just before his hanging, which many people thought he was quite incapable of writing, and some people suspected that Johnson himself had written it for him. It is a horrid thought to think that there were those immoral creatures, ghost writers, as long ago as that. Johnson's reply was, "Sir, when a man knows he is to be hanged in 24 hours, it concentrates his mind wonderfully."

Well, perhaps when a government knows that it may be hanged in a fortnight or a month or two months it concentrates its mind wonderfully and perhaps the result of this is that we have now a rather more forthright and, in my judgment, a more liberal Speech from the Throne than we have had in some past years.

On motion of Senator Asselin, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 102.*)

FIRST REPORT OF THE COMMITTEE OF SELECTION

Tuesday, January 23, 1973.

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 Asselin, Belisle, Cameron, Choquette, Côté, Fournier (*De Lanaudière*), Fournier (*Madawaska-Restigouche*), Gouin, Heath, Hicks, Kinnear, Lapointe, McIlraith, O'Leary, Quart and Yuzyk. (16)

JOINT COMMITTEE ON PRINTING OF PARLIAMENT

The Honourable Senators Asselin, Bonnell, Bourque, Duggan, Fournier (*Restigouche-Gloucester*), Gouin, Greene, Haig, Heath, Isnor, Macdonald, McGrand, Michaud, Neiman, O'Leary and Sullivan. (16)

JOINT COMMITTEE ON RESTAURANT OF PARLIAMENT

The Honourable the Speaker, the Honourable Senators Heath, Inman, Langlois, Macdonald, Norrie and Welch. (6)

JOINT COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

The Honourable Senators Flynn, Forsey, Goldenberg, Lafond, Neiman, Rowe, Thompson and Walker. (8)

THE COMMITTEE ON STANDING RULES AND ORDERS

The Honourable Senators Argue, Asselin, Boucher, Choquette, Connolly (*Ottawa West*), Cook, Denis, Desruisseaux, Eudes, Everett, *Flynn, Forsey, Fournier (*De Lanaudière*), Grosart, Lang, 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, Bourque, Deschatelets, Fergusson (*Speaker*), *Flynn, Grosart, Hastings, Hayden, Langlois, Lefrançois, *Martin, McElman, McIlraith, McLean, Molgat, Molson, Phillips, Quart and Smith. (20)

* Ex officio members

THE SENATE COMMITTEE ON FOREIGN AFFAIRS

The Honourable Senators Aird, Belisle, Cameron, Carter, Connolly (*Ottawa West*), Croll, Deschatelets, *Flynn, Grosart, Lafond, Laird, Lapointe, Macnaughton, *Martin, McElman, McNamara, Nichol, O'Leary, Rattenbury, Sparrow, van Roggen and Yuzyk. (20)

* Ex officio members

THE SENATE COMMITTEE ON NATIONAL FINANCE

The Honourable Senators Benidickson, Carter, Choquette, Côté, Croll, Desruisseaux, Everett, *Flynn, Giguère, Grosart, Laird, Langlois, Manning, *Martin, Nichol, Paterson, Phillips, Prowse, Rattenbury, Rowe, Sparrow, and Welch. (20)

* Ex officio members

THE SENATE COMMITTEE ON TRANSPORT AND COMMUNICATIONS

The Honourable Senators Argue, Blois, Bourget, Burchill, Denis, *Flynn, Forsey, Fournier (*Madawaska-Restigouche*), Graham, Haig, Langlois, Lawson, *Martin, McElman, Nichol, Petten, Prowse, Rattenbury, Smith, Sparrow, van Roggen and Welch. (20)

* Ex officio members

THE SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS

The Honourable Senators Asselin, Buckwold, Croll, Eudes, Everett, *Flynn, Goldenberg, Gouin, Hastings, Hayden, Laird, Lang, Langlois, Lapointe, *Martin, McGrand, McIlraith, Prowse, Quart, Walker, Williams and Yuzyk. (20)

* Ex officio members

THE SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

The Honourable Senators Aird, Beaubien, Blois, Buckwold, Burchill, Connolly (*Ottawa West*), Cook, Desruisseaux, *Flynn, Gélinas, Haig, Hayden, Hays, Laing, Lang, Mcnaughton, *Martin, McIlraith, Molson, Smith, Sullivan and Walker. (20)

* Ex officio members

THE SENATE COMMITTEE ON HEALTH, WELFARE AND SCIENCE

The Honourable Senators Beaubien, Blois, Bonnell, Bourget, Cameron, Carter, Croll, Denis, *Flynn, Fournier (*De Lanaudière*), Fournier (*Madawaska-Restigouche*), Goldenberg, Hastings, Inman, Kinnear, Lamontagne, *Martin, McGrand, Smith, Sullivan, Thompson and van Roggen. (20)

* Ex officio members

THE SENATE COMMITTEE ON AGRICULTURE

The Honourable Senators Argue, Bélisle, Benidickson, Côté, *Flynn, Fournier (*Restigouche-Gloucester*), Haig, Hays, Inman, Lafond, Lawson, *Martin, McDonald,

McNamara, Michaud, Molgat, Norrie, Petten, Phillips, Sparrow, Welch and Williams. (20)

* Ex officio members

All which is respectfully submitted.

Gildas L. Molgat,
Chairman.

THE SENATE

Wednesday, January 24, 1973

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

Prayers.

VIETNAM

ANNOUNCEMENT OF CEASE-FIRE AGREEMENTS—CANADA'S ROLE IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION

Hon. Paul Martin: Honourable senators, my colleague the Secretary of State for External Affairs will shortly be making a statement in the other place following the announcement last night by the President of the United States that a cease-fire in Vietnam has been initialled and will solemnly be signed on Saturday.

In view of the importance of this matter, the Leader of the Opposition concurs that the Senate, as one of the Houses of Parliament, should show its responsibility in this matter, one of the most vital in 18 years. All Canadians will share the relief of the government at the historic announcement made last night by President Nixon, from which it would appear that at long last a cease-fire will formally be effective by the end of this week. This could open the way to the peace which we all hope will result.

The question is now, honourable senators, what can the Canadian contribution be to ensure peace in this situation? We have to ask ourselves what we can do and what is the most effective way in which we can assist in bringing about an effective peace. We will also have to consider what additional help we are prepared to offer in the task of rehabilitation and construction of that war-torn divided part of Indo-China, North and South Vietnam.

The government has already indicated its willingness to assist in providing relief and aid. As a matter of fact, in 1966 the then government announced, following an invitation by the late President Johnson, its decision to assist in the development of the Mekong River area, and indicated that at the end of hostilities Canada would be prepared to join other countries in rehabilitation and reconstruction efforts in Vietnam. I do not need to inform honourable senators how widespread the destruction in Vietnam is. We in Canada have had some considerable experience in providing aid to South Vietnam, although we have not yet any experience in providing aid to North Vietnam. We do not yet know what will be asked of us; we do not yet know what will be the extent of the program we might want to enter into in relation to the programs of other countries. We will have to find the answers to these questions having regard to the situation which will undoubtedly develop very shortly.

On November 2, when it looked as though a cease-fire was approaching, the Government of Canada made a proposal which was intended to meet the apparent concern of the parties involved that there should be some form of international presence immediately on the ground from the moment of the cease-fire. The proposal was that for the initial period we would be prepared to place at the disposal of the newly proposed international supervisory body the present Canadian delegation to the existing international commission; and we would be prepared, likewise, to augment it if necessary. We took this position because we were anxious to assist the initialling of the cease-fire agreement without delay. We did not want in any way to be a party to delay.

That is the problem facing us now. The government subsequently stated the conditions and the considerations it would require before it could take a decision on a complete participation in the newly proposed supervisory role and commission. My colleague the Secretary of State for External Affairs has just received the documents embodying the agreement signed by the United States and North Vietnam. He has not yet had an opportunity to study these documents in detail. A first look suggests that the conditions we imposed and which were communicated to the four parties have, to some degree, contributed in the circumstances that led to the initialling of the cease-fire agreement a short time ago.

These documents are complicated. It is not possible to say right now how fully they meet our four conditions, and we realize that an immediate answer will not now be possible. In any event, the Secretary of State for External Affairs is going to Washington tomorrow and he will have an opportunity of discussing this matter with Secretary Rogers.

I may say that the cease-fire agreement is not expected to be signed by all four parties until Saturday of this week. That will be only a few hours before the agreement envisages an international presence on the ground in Indo-China.

So the government is faced with this situation. It can accept with whatever reservations are necessary the role the parties have defined. We are in a position to do this but it would mean committing Canada to full participation before we know with any certainty to what extent the conditions that Canada laid down are to be met. At the other end, we could refuse to participate because we do not yet know the degree to which our conditions are being met. To do this would risk our standing in the way of an end to the fighting, which all of us want.

The government, therefore, is taking the position that these extremes are unacceptable. We have decided that when the cease-fire documents have been accepted by all four parties, and when all four parties have clearly invited Canada to take part, the government will then confirm that Canada is ready to take part initially.

• (1410)

This initial participation will be consistent with the position that the government announced on November 2 last. We will be prepared to serve on the limited basis for an initial period of 60 days. We will be prepared during that period to do what we can to discharge the obligations which would flow from full membership in the new commission. Full and formal reply to the invitation for full membership will, however, have to await a number of things. First, it will have to await a very thorough study

and analysis of the agreements and of the full nature of the parties' commitments to the agreements. It will have to await the lessons of our experience in participation in the initial stages.

This is a matter in which we all have a vital interest and one which Parliament will have to discuss. Arrangements are being made in the other place for a debate on this matter and, undoubtedly, that may well be the wish of this house. In any event, I paraphrase and give the substance of what the Secretary of State for External Affairs is now telling the other place. I believe that in a matter of such vital importance this is the proper course for us in our deliberations here to take.

Hon. Jacques Flynn: Honourable senators, of course we on this side as well as everyone else in Canada rejoice at the prospect of a cease-fire or truce to start next Saturday, January 27, in Vietnam. The negotiations have been long and arduous. At one time we thought we would have that cease-fire or truce for Christmas. Practically a month has elapsed since then and we have to be cautious in our optimism. Certainly, we must be more cautious than the Leader of the Government. I would say that the statement which he read was well prepared and very typical of him. The style is reminiscent of the late William Lyon Mackenzie King. It covers all the possibilities. He said that we are prepared to refuse, or we are prepared to accept on certain conditions the invitation to play a part in the enforcement of the truce and cease-fire. This is not much of a commitment. But I understand that this is the only thing that can be said at this time. However, I am sure you will agree it is not very forceful.

The Leader of the Government has recalled that we assisted South Vietnam in many ways in, let us say, the arrangement of her economy, by certain projects. Some of these were under way when I was Minister of Mines and Technical Surveys and I took some interest in them about 10 years ago—that's a long time ago. But, of course, before we can resume our help towards the restoration and reconstruction of Vietnam, be it South or North, we have first to be assured that peace exists there in fact. I can only rejoice that peace is to be restored to that troubled part of the world as of this Saturday, that a truce is to be agreed to and a cease-fire come into force. I am also pleased that Canada is willing to play its part under conditions as yet to be determined in supervising that truce. Optimism should be the order of the day, but cautiousness should not be thrown to the winds.

Hon. Mr. O'Leary: May I ask the Leader of the Government a question? Is there any limit placed on the duration of our participation in this matter?

Hon. Mr. Martin: Oh yes.

Hon. Mr. Flynn: Sixty days.

Hon. Mr. Martin: No; that refers to the preliminary portion. If we do join the proposed new supervisory body, we have indicated that one of the conditions should be a two-year tenure.

Hon. Mr. Forsey: May I ask the Leader of the Government whether I understood him to say there will be an opportunity for discussion of this matter in this house? It seems to me it might be highly desirable. I suspect there are a large number of honourable senators who, unlike myself, are extremely well-informed on this subject and might have very valuable contributions to make.

Hon. Mr. Martin: It was proposed that there should be arrangements made for a debate on this matter in the other place, and I would assume that similar arrangements will be made in this house.

Hon. Mr. Grosart: May I ask the Leader of the Government: Has there been any discussion on who will pay the cost of any Canadian participation that takes place?

Hon. Mr. Martin: All those arrangements are contained in a protocol that has been discussed between the four parties who will be called upon to sign the cease-fire arrangement on Saturday. These documents have just come in. It is not possible to give a firm answer now, but we have been told by one of the parties, as of some weeks ago, that we would bear our share of the cost along with other members of the commission, that these costs would be borne by each country.

Hon. Mr. Grosart: The Leader of the Government says "our share of the cost." Our share of what cost?

Hon. Mr. Martin: The cost of the operation of the commission.

Hon. Mr. Grosart: Has there been any discussion with other people, interested in the peacekeeping operation, regarding sharing the cost?

Hon. Mr. Martin: It is not really a peacekeeping operation, in the sense that Cyprus or UNEF was.

Hon. Mr. Grosart: Of course it is.

Hon. Mr. Martin: No. It is a peace-observation group. It is not a military or para-military body. These men will not go as military personnel. They will go about as observers supporting the international supervisory control body.

Hon. Mr. Grosart: Surely the Leader of the Government is not suggesting that in future the term "peacekeeping" must have that particular connotation he suggested. Surely this is a peacekeeping operation.

[Translation]

Hon. Mr. Asselin: May I ask the Leader of the Government whether the same conditions will attach to this Commission as those we already have with regard to the Control Commmission with India and Poland? Will we have the same title, the same observer role?

Hon. Mr. Martin: Yes, basically the conditions will be the same. The ones we have just submitted are precisely those we had suggested to the Geneva Conference in 1954.

Hon. Mr. Deschatelets: Who will be the fourth subscriber to the agreement on Saturday? I understand the document will be signed by South Vietnam, North Vietnam and the United States.

Hon. Mr. Martin: The Viet-Cong, Hanoi, the Government of South Viet Nam and the United States.

Hon. Mr. Flynn: What definition is given to Viet-Cong in that treaty or agreement?

Hon. Mr. Martin: Frankly, I could not say without looking at the documents; but I believe we will be in a position to circulate the documents in question as soon as possible.

Hon. Mr. Forsey: You mean here, in the Senate?

Hon. Mr. Martin: In Parliament.

• (1420)

[*English*]

Hon. Mr. Molson: The Leader of the Government said that this would in some sense be a military force. I am rather disturbed as to who, in effect, will protect our people that we send there, if we send the number, as was suggested last evening, of some 400 or more. If they are an unarmed group, what form of protection will they benefit from in moving around a territory which is so badly divided, so heavily armed, and so highly booby-trapped. How will our people be protected?

Hon. Mr. Martin: In the way that they have been for the last 18 years. When the International Commission for Supervision and Control was set up in 1954 as a result of the Geneva accords, it was decided that the three countries involved would serve in an objective capacity on the commission. The individuals serving on that commission, while appointed by the respective governments of Canada, Poland and India, have, nevertheless, been there as representatives of the Commission. They sit as civilians in an individual capacity. They were supported by military personnel who were not armed and whose purpose was to assist in reporting on the extent to which there had been an observance of the cease-fire. That is the character of the new organization. It is not a military body, as I said a moment ago, as is the case in Cyprus where the soldiers carry arms, and as in the United Nations Emergency Force where they were armed. That is not this arrangement. It is simply a supervisory body called upon to report on the extent of the observance of the cease-fire agreement and to report on violations.

An Hon. Senator: To whom?

Hon. Mr. Martin: To a body not yet determined. One of our conditions is that there be a body to whom they can report. In the case of the present commission, they report to the chairman of the Geneva conference, the Soviet Union and the United Kingdom. In this case we say that there must be some body to whom they can report. It could be the Security Council, or it could be that an international conference may have to come into being to deal with further problems of the peace.

Hon. Mr. Carter: Could I ask the Leader of the Government if he can tell us how this group of 400 Canadians is supposed to function? Are they all to be kept together in one group, or are they to be split up into smaller groups and scattered around different parts of the country?

Hon. Mr. Martin: As to the number, I have said nothing because there has been no decision on that. One side may take the view that it should be a limited number; the other side may take the view that there should be more personnel involved. That is a determination yet to be made. I do not think I can specifically answer as to the distribution of functions and of personnel.

Hon. Mr. O'Leary: Honourable senators, I do not wish to make this a debate, but if this is merely an operation to observe, why soldiers? Why 400 armed soldiers, if it is merely to observe and report? I could get you 400 good reporters who could do that.

Hon. Mr. Martin: Because they are trained for this. Not only have we got experience on this commission in the three Indo-China countries, but we have had experience in the United Nations observation group in Lebanon in 1958; and we have had experience in connection with the United Nations supervisory and truce organization in the Middle East. These soldiers are not there in a military capacity but are trained and organized to do the particular job of observation.

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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

[*Translation*]

Hon. Martial Asselin: Honourable senators, at the outset of my remarks I feel I have to extend my heartfelt thanks to the Prime Minister of Canada for having chosen me to sit in this house. Such an honour reflects not only on my family but also on the riding of Charlevoix which I had the pleasure of serving for over 11 years.

But such an appointment was also meant in the Prime Minister's mind to increase the Official Opposition representation so as to assure within the Senate the progress and development of a healthy democracy which is essential to the survival of this institution.

As was said the other day by my leader, the Official Opposition will never be able to operate efficiently if it cannot get at least 20 per cent of the members of this house.

• (1430)

[*English*]

I would like also, honourable senators, to associate myself with all of you in congratulating Madam Speaker on her appointment to this high post. A better choice could not have been made.

I had the honour, Madam Speaker, when we were members of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, to work closely with you. Your great talent and knowledge of the problems of this country brought to that committee a very effective contribution. There is no doubt in my mind that you are highly qualified to discharge your present responsibilities. May I say to you that you have in advance my full co-operation.

[*Translation*]

Honourable senators who participated in this debate referred to the outstanding work accomplished in this house by the former Speaker of the Senate, Senator Deschatelets. While I did not have the opportunity to serve under Senator Deschatelets, I had the pleasure of knowing him when he was a member in the other place and I always admired his courage, his forthrightness and his integrity. I therefore want to join other senators in saying that although I might be here somewhat too late to benefit by his leadership as Speaker of the Senate, I still want to

join my other colleagues in thanking him for his outstanding work as Speaker of this house.

I also want to tell those colleagues who were appointed to the Senate at the same time as I was that ours is perhaps an uncommon responsibility. Four of us who came here are former ministers: Senator Côté, Senator Greene and Senator Laing, with whom I had occasion to cross swords in the other place. I have been told that here we do not have many occasions to do so. However, as a new senator, it is my intention, as it is no doubt that of my colleagues, to speak my thoughts frankly and even though the same climate of confrontation we had in the other place may not prevail here I believe our exchanges will be direct, honest and fruitful for the Senate.

Hon. Mr. Côté: Don't start off too fast.

Hon. Mr. Asselin: But we were lucky as new senators to have with us Senator Neiman, appointed here at the same time as ourselves. I see that some senators are already looking at us with jealousy because we have brought with us, into this house, charm, graciousness and competence.

I express congratulations to the movers of the Address for their efforts in the defense of a cause which is now challenged.

I listened with great respect to the speech made the other day by Senator Hicks. If Senator Hicks had been here when the appropriation bill was brought before this house, I feel that his comments would have been much stronger, much harsher. Just the same, I want to congratulate him for the frankness with which he expressed himself.

As for Senator Lafond, I must say that I met him for the first time in the Committee on the Constitution, and, although our views differ regarding the constitutional future of Canada, he is in my opinion the watchdog of the rights of the French Canadians living behond that river. I congratulate him for his contribution.

[*English*]

I wish to thank Senator Martin for the kind and complimentary words of welcome he had for me when he spoke during this debate. I was deeply moved. The good senator is like a fine wine; he gets better with age.

Hon. Mr. Martin: On a point of order. I'm not aging.

Hon. Mr. Flynn: It doesn't show.

Hon. Mr. Asselin: I listened attentively to his speech. He is more fluent and convincing now than he ever was.

[*Translation*]

Indeed, the Leader of the Government has not lost any of his great qualities as a parliamentarian which he had when I sat with him in the other place.

Hon. Mr. Flynn: This is a long time ago.

Hon. Mr. Asselin: He has retained his enthusiasm, his ability, his cleverness in not exactly answering questions. However, I would like to tell him that under his leadership, the Senate has found a new impetus and has known a revival.

I am pleased, honourable senators, to serve under the Honourable Jacques Flynn, my leader and personal friend, who has helped me the most to go through difficult times, a man of great humour and shrewdness who knows how to handle himself in debate. Our party is lucky to be led in this house by a man of his caliber. I tell him and my colleagues that our task as members of the Official Opposition is surely to criticize the government policies to improve them, but it must be done in a constructive way solely to serve the best interests of the country.

I am grateful to have been chosen to come to the assistance of my party in the Senate, but I must warn the Leader of the Government that I remain faithful to the principles which have always been mine and which have led me in the past to fight fiercely against the philosophy of the Liberal Party and I do not anticipate the day when that will change.

Honourable senators, the government wants to give the impression that it has recently been converted to reason. They are now advocating the solutions that the Conservative Party was offering during the last electoral campaign. How can we believe in this belated conversion, the purpose of which is only to remain in office?

For four years, I have had the chance of working with the Leader of the Official Opposition, Mr. Stanfield, and of discussing with him the problems that are before the country today, and I am deeply convinced that Mr. Stanfield would be an excellent Prime Minister. This man is understanding, humane, open-minded, capable of dialogue, while at the same time willing to accept compromises, all qualities that are essential, I think, for a man who wants to become Prime Minister, and whose major goal is preserving national unity.

• (1440)

During the last electoral campaign, the Conservative Party submitted a precise, clear-cut program, involving new ideas and practical solutions that would put an end to this social and economic stagnation created by this government.

[*English*]

Honourable senators, I am one of those who did not know too much about this place before I came. I have realized since my arrival that the country has available to it in this chamber quite an impressive pool of legislative talent. The quality of the debates is superior and the reason, I think, is quite simple. Those who participate are not doing so in order to impress the voters back home. We have men in this chamber who are recognized authorities in their fields, men who enjoy national and international reputations. I look forward to listening to those I have not already heard.

Now it may be presumptuous of me as a junior senator to make this suggestion, but I am determined to do so anyway. If the Senate is to regain the prestige it enjoyed several decades ago, if the Senate is no longer to be ignored, then it will have to take a much more active part in the affairs of the country.

I realize full well that the prime responsibility of this chamber is legislation. We must go over everything that is sent to us from the other place with a legislative microscope. We are to look for deficiencies, we are to look for ways of improving bills before they become the law of the land. This we must do. And to this, we must devote all the

time necessary. Nothing else may be permitted to interfere with the proper carrying out of our legislative responsibility.

This having been said, however, I think you will agree with me that our main task is not likely to take up all the time at our disposal. Surely time can be found for initiating legislation. The talent that sits in this chamber cannot be satisfied with merely correcting the mistakes and shortcomings of the other place. Surely the Senate can offer, either by way of legislation or in the form of committee reports, its own solutions to the social and economic ills that beset this country.

I don't have to be reminded that this was done in the past. I don't have to be reminded, for example, of the excellent work of Senator Croll's committee or that of Senator Everett's. Nor does it have to be pointed out to me that these reports were not given serious consideration by the Trudeau government. I know all that. I know how frustrating and insulting it can be to have the fruits of our labour ignored or rejected out of hand.

[*Translation*]

I should also give as an example the work done by the special joint committee of the Commons and the Senate on the constitutional review. The committee was made up of members of Parliament and senators who travelled all over the country and met everywhere they went experts in all fields, people who expressed new ideas on a new federalism, and, honourable senators, the people of Canada paid a great deal for that committee. It produced an extraordinary report which was tabled in the House of Commons and in the Senate, and since then, practically nothing has been said on the subject by government members, those responsible for making this report available to the House of Commons and the Senate, so that it would be looked fully into and then appropriate recommendations made to the government.

[*English*]

I don't think we are entitled to give up. Our responsibility is not to a shortsighted government, but to the people of Canada. It is our responsibility to try and make this country a better place to live in. To this end, we must persist in our efforts to find solutions and to have them accepted. The country cannot afford the luxury of having us around, if we are going to sit back and feel sorry for ourselves.

Senator Martin had much the same to say about the Senate when he spoke in this debate. I could not help remembering, however, that it was the same Senator Martin who was government leader in December 1971. It was he who carried out the instructions of the Trudeau government and rammed a 700-page tax reform bill through this chamber in a matter of hours.

[*Translation*]

Hon. Mr. Martin: Such is not the case. After a study that lasted over three months.

Hon. Mr. Asselin: I do not know if the study lasted three months in the Senate but all I know is that the tax bill was approved in two to three days here in this house while we had tried by all means in the other house to amend that legislation. We had made representations to the government to change certain aspects of the bill which we thought were unfair to the Canadian taxpayers but we did not succeed, and the Canadian taxpayers, the Canadian citizens, hoped that the Senate would put through the amendments which we had tried to introduce in the House of Commons. What frustration, honourable senators, when the population found out that such a complex bill had been passed in a few days here in the Senate!

Hon. Mr. Molgat: I do not know if the honourable senator is aware of it, but the Banking, Trade and Commerce Committee started examining that bill on February 24, produced a preliminary report and a final report at the end of November, while the House of Commons never did send the bill to a committee of that house.

Hon. Mr. Flynn: I rise on a point of order. Would Senator Molgat allow me to point out to him that, before it was sent here, the bill examined by the Banking, Trade and Commerce Committee had not been amended by the House of Commons and we had to do everything all over again when the bill came back—which we had failed to do in the Committee on Banking, Trade and Commerce under the chairmanship of Senator Connolly (Ottawa-West) because Senator Hayden did not want to be there and pass the bill in one day.

Hon. Mr. Molgat: I do not want to start debating this, but the Senate recommended many changes to the House of Commons—

Hon. Mr. Flynn: Which were not implemented by the government.

Hon. Mr. Molgat: Which were not implemented afterwards. I did not want the Senate to look as if it had failed in its duty in that case; it did well with the bill and, without commenting on the other place, perhaps even with more accuracy.

Hon. Mr. Flynn: Nothing has been done.

Hon. Mr. Asselin: This answers Senator Molgat. The question I referred to . . .

Hon. Mr. Côté: That was a good bill.

Hon. Mr. Flynn: Senator Côté was in the House of Commons and I am happy to see him defending the government, truly happy.

Hon. Mr. Asselin: Does Senator Côté wish to speak?

Hon. Mr. Côté: No.

Hon. Mr. Asselin: I take Senator Molgat's word. If the committee made recommendations to the House of Commons and if these were not accepted by the government when the bill was referred to us for consideration, the Senate should have rewritten its amendments and convinced the government to accept them.

Hon. Mr. Martin: Would the honourable senator allow me a question? Does the senator not know that approximately ten of the Senate's recommendations have been accepted by the government?

Hon. Mr. Asselin: If that is so, it is not enough and the government leader is aware that the appropriation bill could be further amended in the people's interest, which

was not done here, and the citizens are not satisfied with it.

Senator Hicks underlined some deficiencies of this legislation when he moved the adoption of the Address in reply to the Speech from the Throne; I think I will suggest to Senator Martin that he read Senator Hicks' speech; he will find there the answers to my remarks. I was talking about the prestige that the Senate should maintain.

• (1450)

[English]

The Senate was made to look ridiculous on that occasion. The experts sat here as members of this chamber, and were not given the opportunity to really go over the bill. Incidents like that have made cynics of many senators. They have little faith in a government leader who preaches reform and increased participation, as he did when he took the floor to debate the Throne Speech, only to forget all about it when it does not serve his party's interests. Some of his own followers are still ashamed of the way in which the government acted on that occasion.

But, in spite of this lack of sincerity on the part of the government, in spite of its lack of respect for this chamber, we must keep trying. It is an obligation we have to the people who pay our salaries and rely on us to use our knowledge and experience to help in solving the country's problems.

[Translation]

Here, before I go any further, I should like to say something incidentally.

Last night, I listened to Senator Goldenberg and I could not believe that he should have opened his remarks by making an attack, to which I want to take exception, concerning the speech made by Senator O'Leary in this house, and particularly . . .

Hon. Mr. Côté: You are sensitive, senator.

Hon. Mr. Flynn: You people are rather callous.

Hon. Mr. Asselin: I regret to say, however, referring to an alleged attack made by Senator O'Leary against Minister Marchand who sits in the other place, that I cannot accept Senator Goldenberg's remarks.

Hon. Mr. Flynn: You must leave him on his pedestal.

Hon. Mr. Asselin: If I remember well, when Senator O'Leary referred to Minister Marchand, he was not referring to him as a person; he never criticized his credibility or his honesty as a politician.

He simply wanted to draw attention to the atmosphere that resulted or might result from this tendency of members of the government to infer from the results of the last election a kind of war between English and French Canadians. He never wanted to criticize this minister personally, and I would not either, because I have the utmost respect for Minister Marchand, who stood up for ideas, as I and others did in Quebec in the past; he, as myself and others, has always thought that the people from Quebec had a role to play in the House of Commons; he, as myself and others, has tried to do a good job in the House of Commons but, honourable senators, we, in the Conservative Party, have never wept over losses, and God knows that we would not have one tear left had we wept over our losses in Quebec. To be defeated is no reason for seeking arguments to explain that defeat as certain politicians did. This is why I do not agree with Senator Goldenberg's criticism of Senator O'Leary as regards these speeches on national unity and racism, which were delivered in the House of Commons, not only by government members but also by a few Opposition members. Moreover, I would say that this kind of statement, honourable senators, can only divide instead of uniting our country. God knows that in the past we, Conservative members from Quebec, had explained our defeats. Between 1958 and 1962 we did the impossible. In 1958, we were 50 members from Quebec, people who had left well paid positions to come and fight in the House of Commons, in an attempt to convey the message from Quebec; people who had urged the government to recognize bilingualism in the House of Commons as well as in the Public Service; people who had fought a gigantic battle, who, I might say, between 1958 and 1962 had made a breakthrough in the area of bilingualism. What was the reward? The reward was, honourable senators, that in 1962 three quarters of our troops were defeated in Quebec. Yet, we did not come back in 1962 to tell the nation that Quebecers were against us, that our endeavours and our message had been misunderstood. I say so because I believe Senator O'Leary has a great respect for the Honourable Mr. Marchand, as well as for the people from Quebec, since he knows that province very well. I do not want the statement made last night by Senator Goldenberg to pass unnoticed without being corrected.

I do not intend today, honourable senators, to analyze the causes of the Liberal Party's defeat during the recent election campaign. I leave this task to their party experts as well as the task of drawing appropriate conclusions. But, to my mind, the clearest lesson to be learned from its results is that no political man, be he the Prime Minister of Canada, can dissociate himself from the people and their problems. No Prime Minister can allow himself to show the arrogance, the disrespect for Parliament that we have seen these past four years. The Canadian people did not forgive the government its lack of imagination and originality in finding efficient solutions to the problems of unemployment and inflation. One cannot accept that in a country as rich potentially as ours in every field, so many people should go without work, and here I am thinking mostly of the young people whose talents, and energy could be put to greater use in the economic development of our country if only they could get work. To my mind, the Speech from the Throne is an act of contrition on the part of the present government. It contains just about all the Progressive Conservative program. At long last the government tells us that it has found solutions to the rising cost of living, that it now has solutions to fight against unemployment and to improve relations with the provinces. But, honourable senators, with regard to relations with the provinces, for four years now in the other place the Conservative Party and specially myself have urged the government to be more flexible and understanding with the provinces. For four years—and if you read *Hansard* you can judge by the cabinet statements—the government's answers were all evasive or negative, as were also the attitudes. Never were the relations between the provinces and the federal government as tense as

under the present government. Honourable senators will remember the federal-provincial conferences where the provinces, and more particularly the province of Quebec, requested a better distribution of taxation powers, especially in the field of social security. Months and months were lost in discussions between the federal government and the province of Quebec over a family allowance formula that would prove acceptable to both sides; that formula has not yet been found. The government ignores the requests made by the provinces concerning the spending power of the federal government, while the provinces want to participate in the development of that policy with a view to achieving better planning of their priorities in the economic and social fields. The provinces got a negative reply and the Liberal Party was surprised, in the last election campaign, at not receiving the official support of some provincial governments. If we want our country to survive as a federal state, we must endorse a more flexible and open federalism and be prepared to enter into negotiations and arrangements.

• (1500)

Such indeed was the spirit that the Fathers of Confederation wanted for this country.

As long as the federal government will keep considering the provinces as agencies or branches, people across the country will continue to question the present formula of federalism. My wish is that the policy statement found in the Speech from the Throne for better relations with the provinces will materialize as quickly as possible. Unfortunately, nothing at the present time proves that it will. Since the opening of this session, we have had two federal-provincial conferences, one on taxation and one on housing. Considering the reports available on those meetings, I cannot see that the central administration has taken a more flexible attitude towards the provinces than it had for the past four years. We heard the provinces ask for further decentralization of taxation powers, but they got no encouraging reply from the Minister of Finance. The future of federalism, in 1973, should be oriented towards decentralization of federal powers vis-à-vis the provinces and vice versa, particularly for the provinces which absolutely need their exclusive jurisdiction to meet the priorities and objectives of their constituents. Federalism as we know it will survive only on that condition.

Honourable senators, I would not want to follow the example of this government which is considering basing the next election campaign on national unity. As I said earlier, I have been deeply disappointed by the speeches delivered in the other place on this issue. This country will never be united by resorting to racism. It is not because English Canada voted for the Conservative Party and that Quebec voted Liberal that we should think that English Canada is against Quebec and that Quebec declared itself against the rest of the country. As usual the province of Quebec—and my leader said so the other day—mainly voted Liberal because Quebecers did not think the Conservative Party could secure a majority in the English provinces. I will again make a digression and say that Quebecers have been doing themselves a disservice for the last 25 of 30 years by ignoring a major political party. For 25 or 30 years Quebec has always sent a strong majority of Liberal members to the Commons. This of course is due to the fact that, as we all know, the Liberal Party has resorted to all kinds of election tactics and destroyed the image of our party, as explained the other day by my leader.

• (1510)

But I repeat that, for 25 or 30 years and perhaps more, by always electing to the Commons the majority of its members to support the Liberal Party, Quebec did itself a very bad disservice because during 25 or 30 years the Liberal Party, with its majority in Quebec, never did anything about Quebec claims and the rights claimed by some Quebec nationalists. People used to say then: There is no danger; why meet Quebecers' claims since they always vote Liberal? This was very harmful to the Quebec people. Its absence from the Conservative Party for such a long time only made them see one side of the coin. For years and years, Quebecers have stood aloof from this party. I hope that they will realize, come the next election, how the Conservative Party is capable of governing this country and that they will send to the House of Commons French Canadians qualified to participate in the administration of this country. I had the opportunity during the last four years—I refer here to the charge driven by government members against the Conservative Party in connection with the policy on bilingualism; I had the opportunity these last four years of witnessing an evolution, a significant one, I should say, in the right direction in the attitude of Conservative members towards the policy on bilingualism and the leader of our party—I pay a tribute to Mr. Stanfield—has often said that his party was in favour of that policy.

Besides, I cannot see how English-speaking people, be they Liberals, Conservatives or Social Democrats, could have any serious grievance to voice against that policy on bilingualism. The new policy on bilingualism in the Public Service only served to correct an unfair situation my French-speaking compatriots have had to put up with for a century. Fifteen years ago, there were very few French Canadians in senior positions in the Public Service. They were looked upon as second-class citizens and promotion opportunities for them were just about nil. It is extremely unfortunate, I believe that some elements in the English-speaking provinces, due to a narrow-mindedness that I cannot understand, should sincerely question such a policy. If we are to stick together and build this country, the Anglo-Saxon community will have to acknowledge at all government levels, that there are in Canada six million French Canadians who will no longer be ignored.

Honourable senators, in Quebec the wakening signal has been given a few years ago. I am not the only one to have seen it. You just ask anyone, even the Liberal members in this chamber who live in Quebec, they will agree with me.

Hon. Mr. Côté: Ever since the Liberals have been in office.

Hon. Mr. Flynn: You are too young to know that.

Hon. Mr. Asselin: French Canadians now and in the future will no longer be candidates for second-class jobs in the Public Service, such as garbage collection, floor polishing. We in Quebec now have our experts and skills

in all fields. It is up to English Canada to accept our participation in the administration of this country.

As I mentioned in the minority report I signed with Mr. De Bané concerning constitutional changes to be brought about in this country, Quebec nationalism such as it is now is here to stay and many of my colleagues here are aware of the full scope of this assertion. I am not speaking of separatism. I am speaking of nationalism, because there is a difference between separatism and nationalism. If government members want to jeopardize the future of Canada, they need only choose national unity as an electoral platform. They are, in my opinion, taking great risks of further dividing the country and increasing the number of separatists in Quebec, because people there will say: nothing more can be done. If Mr. Marchand, Mr. Pelletier and other French Canadians in the present government say that nothing more can be done in Ottawa, well, we in Quebec are going to aim for independence. This is a dangerous game and we should avoid playing it. As the protector of the rights of the minorities, I feel the Senate should follow this debate very closely in order to avoid divisions in this country.

Honourable senators, I hardly imagine any future for this country, if the legitimate claims of the French Canadians who live within our frontiers are not taken into account. Any constitutional status quo is rejected not only in Quebec but also in the other provinces and especially by the youth of the country as a whole. Our young people are urging us to give them as soon as possible a more modern and flexible federalism; they want a kind of federalism in which the majority of them will find a place and make available their energy and their talents to keep on building this great country. The various cultures of our country account for its greatness. My honourable colleagues who have been abroad can see for themselves that because of this cultural diversity, Canada is not like any other country, for Canada is a country with great prestige.

Honourable senators, we must consider it a priority to suggest to the government urgent changes that are most imperative in the constitutional field. I feel, honourable senators, that this is where the survival of our nation resides.

[*English*]

Hon. John J. Connolly: Honourable senators, first, I should like to congratulate the government on its selection for the speakership of this house. Senator Fergusson, like myself, has been a member of this chamber for about 20 years. In that time she has displayed qualities of judgment, industry and wisdom designed to characterize the best traditions of this chamber and of its most distinguished members. She has been attentive to her duties in the house and on the numerous onerous committees to which she has been appointed. She has borne the burdens of that arduous work unobstrusively but with effective success. She has been a servant of the Senate and indeed of Parliament. She has been a credit to her sex and her colleagues. We all rejoice that in her the women of Canada have been honoured. She is the first woman to preside over the deliberations of our federal Houses of Parliament, and wherever parliamentary government is practised her selection will draw applause, for she will carry her honour with distinction throughout the parliamentary world. Finally I pay her the supreme accolade—she is a great lady.

• (1520)

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Honourable senators, hardly had the reassuring news of the appointment of the Speaker been made, when I was overwhelmed by the announcement of the death of my former leader, colleague and friend, the Right Honourable Lester B. Pearson. I must be frank to say that his death was expected but when it arrived, the swiftness of the event, although perhaps merciful, stunned me, as it stunned all of us. I am sure you will allow me to confess that at that moment I thought at once of lines written by Newman—lines of deep theological significance—descriptive of the passing of a noble soul.

The lines were these:

What is this severance?
This silence pours a solitariness
Into the very essence of my soul;
And the deep rest, so soothing and so sweet
Has something too of sternness and of pain.
For it drives back my thoughts upon their spring
By a strange introversion, and perforce
I now begin to feed upon myself
Because I have not else to feed upon.

All of us are perfectly aware that each of us will have to face this moment before we share the beatific vision we all seek. Our sympathy for the dying man is intense. All alone, he goes to face his Maker. Neither his family, nor his friends, nor his fame, nor the mighty, the powerful, the skilful, the profound—Mr. Pearson knew then—could ease this awesome passage. In the achievements of a great life Mr. Pearson had great collaborators. He worked with people and always acknowledged the help they gave him. But in this great final voyage into the unknown, there could be no collaboration. He went alone, but if any man was ready, it was he, and his life had made him so.

At times like this people seek to console themselves. Men and women wept. Nations mourned. In the world's chancelleries and in the international organizations, heads were bowed. In hamlets, in underdeveloped lands, where his work brought hope and often life, a blessing was invoked upon him. In the communities of this country where his efforts for national conciliation were unrelenting, the profound grief which was generated, united all Canadians at that moment.

Nothing I could say here could add to the lustre of the life he gave for others—and to the end. It could be said of Mr. Pearson that he was a child of his time—that for him on so many occasions the season was right. Of every great man, this is true. But the measure of a man's greatness is in the results he achieves and in the intelligence, the courage and devotion he brings to his work. On the stages both of the nation and of the world, Mr. Pearson failed no one—least of all his countrymen.

As Dr. Moore said in his impressive eulogy, "He walks off into a new dawn playing upon his flute." The tune I think will be merry, for Mr. Pearson was a happy person.

Let this be the epitaph of his noble character: "Everyone he touched was the better for it." And his hope, I think—as the hymn chosen by his family gives it—would be that:

holiness shall whisper
The sweet Amen of peace.

Honourable senators, like the preceding speakers in this debate I should like to congratulate the mover of the motion, Senator Hicks, and the seconder, Senator Lafond. Senator Hicks, who is an old friend of mine and of many of us, spoke with his usual clarity and charm, and was as informative as one would expect of a man who has had such great experience in the public life of our country, particularly with its intellectual side.

I was also delighted to hear Senator Lafond. He too is an old colleague.

May I also add my word of welcome to the new senators—all of whom I am very pleased to see here—some of whom I have had the privilege of serving with as their colleague in government. My hope for them—and perhaps this is the best hope that I could give them—is that their years here will be as happy in this chamber as mine have been. I am sure that is the highest wish that any member of this chamber could express to a woman or man entering for the first time. Their presence gives great promise, as shown by the performance of Senator Asselin here this afternoon. I am particularly pleased that there has been an appointment made to the ranks of the Opposition.

The gracious Speech discloses that the two pre-eminent goals of the government are national unity and equality of opportunity for all Canadians. The country cannot long survive unless it struggles constantly to provide opportunities for its people, opportunities of all kinds, opportunities open to all. As long as major frustrations persist in the field of opportunity, national unity is disaffected. For a country as wealthy and as enlightened as Canada, if we have a real sense of national unity, opportunities for all our citizens are bound to improve. Separation of any one part or region, in my view, would be a disaster, not only for the region; it would also be a blow of prodigious damage to the nation. Canadians, all of us, need each other personally, by province, by region, if we are to realize our true potential.

• (1530)

None of us conscientiously can countenance the infringement of our birthright, whether the threat comes from within or from beyond our borders. We do not seek national uniformity in language, or race, or creed, or ability, or wealth. Understanding, conciliation and reason, applied to our problems continually, will improve the good life of our people. In this we are a microcosm of the world village. But surely our differences are more manageable, more easily reconciled, if we have the will, the desire and the courage to take this course. What other country would any of us choose if we had to start out again today? And where else would any of us advise our children to go but to Canada?

National unity is not just a word or an aspiration or an emotion. It is a concrete goal to be reached by establishing sound institutions, reforming them to meet new problems, cherishing them and using them for the betterment of the lot of all our people.

National unity will never be perfect. In itself it has boundless horizons, and as we reach each new level a higher level looms up to challenge us. Relatively easily we can unite to defend the integrity of our territory or a threat to our freedom, or the danger of control from without. But every disagreement that we have, either on internal or external policy, need not become a crisis.

The idea of national unity is a little like the concept of free trade. Real free trade among nations is chimerical. But freer trade, the freest possible trade, is a reasonable objective. So too with the just society or the great society. Regardless of how we strive, there will always be injustice to be remedied. We work for a more just society or a greater society, or for the most just society possible or the greatest society possible. In these goals there are really no absolutes. All of them will forever remain relative. We must remember that so too is the case with national unity. To achieve it perfectly in a communicating democracy is fanciful. We must establish the basic needs of our life together and work to achieve those needs in their fullness.

Our Constitution is the basic juridical document upon which our unity is founded. And in a federal state like ours, with the consequential division of powers and authorities, a Constitution which in its beginnings may in fact liberate people, later may constrain the constituent parts of the Confederation. To an extent this has happened here in Canada.

Certain powers were allocated to the federal authority and its Parliament. Others, of a local character, were conferred upon the provincial units, and some, by them, were delegated to municipal levels. In wartime, mainly through the use of the War Measures Act, the federal authority assumed great powers. In peace time these powers have been relaxed. Nonetheless, the superior authority, mainly because of its wider taxing power, has been the federal authority. And the federal authority should remain dominant, and have the means to be so, in the national interest.

It is curious, however, that in the post-industrial world which Canada has entered, many of our great problems—and collectively they have become national problems—are, under the Constitution, the responsibility of the provinces and of the municipalities. Some of these fields readily come to mind—urban affairs and housing, hospitals and health, education and schools, the natural resources of the province and the general authority of the province in the field of property and civil rights.

No one will deny that in the past quarter century in each of these fields we have had problems, great problems, some of them approaching crisis proportions. Let me give some examples.

First, since the beginning, education has been the "ark of the covenant" in the provincial jurisdiction. Yet today federal funds have had to feed 50 per cent of the cost of post-secondary education, and have been doing so for some time.

Hon. Mr. Flynn: Since how long? I do not want to interrupt the honourable senator, but in order to view this problem in its true perspective, would he not agree that

this problem arose with the First World War when the federal government invaded the field of income tax, personal income tax and corporation income tax?

Hon. Mr. Connolly (Ottawa West): I think the honourable senator is referring to the Second World War and to the tax rental agreement.

Hon. Mr. Flynn: I was talking of the First World War.

Hon. Mr. Connolly (Ottawa West): That was when the income tax came into effect; and of course the federal government was in that field because it had the authority under the Constitution to be there.

Hon. Mr. Flynn: Yes, but when the federal government has too much money it uses it in fields other than its own.

Hon. Mr. Croll: That has happened consistently.

Hon. Mr. Connolly (Ottawa West): Very well. Secondly, we have had organizations urging Parliament to restrict the use and flow of foreign investment into our resource industries, and, be it said, for worthy motives. Yet provinces, seeking growth and development in the extractive sector, seek massive investment, whatever its source, for their resource industries.

Thirdly, thirty years ago less than half of our population was rural. Today, after a great surge in population, 75 per cent of our people live in cities and towns. Roads, local land services and housing, constitutionally are local responsibilities. Yet we have CMHC, the Trans-Canada Highway, and like projects, operating on a gigantic national scale, and the needs and demands upon the federal treasury increase in these fields.

Fourthly, hospitals and health facilities were put into section 92 of the BNA Act in 1867, as were charities and eleemosynary institutions. Since 1966 we have had a Canada assistance plan, hospital insurance and medicare, and the federal contributions are 50 per cent of the cost of these programs.

My fifth example is that our rising GNP gives birth to a spiral of rising expectations, rising remuneration, rising costs. There is a clamour for government controls of prices and wages directed at Ottawa. This is a serious national problem, yet the provincial jurisdiction controls property and civil rights.

• (1540)

It is possible to count many more examples of situations in which local needs develop into national problems. Are we therefore to remain in a constitutional straitjacket? Are we to say, "The provinces can tax; let them look after these problems." For obvious reasons this is not realistic. "What then," you may ask, "are our options?"

Is the federal authority to invade the provincial field and take it over? The courts have already ruled against that proposition and there seems to be no demand to change our status from a federal to a unitary state, even though some of our provinces would be more viable as separate national entities than many independent foreign nations.

To meet these emerging conditions which face our nation we seem to have rejected revolution. I hope we have also rejected separatism, but let us not feed the fires which keep it warm. Sometimes we do this.

Constitutional reorganization eludes us probably through our own fault. It did so over the Fulton-Favreau formula. It did so over the Victoria Charter.

The road we have taken is a new road. I guess it is typically Canadian. Its landmarks are consultation and adjustment leading to agreement. The device we have applied is the Federal-Provincial Conference. Perhaps the term "co-operative federalism" has too political a connotation to describe our course. But in fact it is a good phrase. I was most interested to hear Senator Goldenberg last night talking about the Federal-Provincial Conference, and I quite readily admit that there may be some slight repetition of what he said last evening in what I have to say now about the conference. Nevertheless, I think that the importance that the Federal-Provincial Conference is assuming and taking in our society is a factor that we should not underestimate. Indeed, we should try as much as possible to understand it.

Some of the meetings of the Federal-Provincial Conference have been stormy, some dramatic, but on the whole the conference has been constructive.

Hon. Mr. Flynn: They have been dull.

Hon. Mr. Connolly (Ottawa West): It has led us through a maze of political, constitutional, fiscal and taxing inadequacies. It has moderated the federal spending power and enhanced the provincial. Huge transfer payments have been made to the provinces by Ottawa. It has also created social changes through education, through health services, through housing and urban redevelopment, through welfare programs, through programs for the aged and the handicapped. The importance of the conference as a devised piece of quasi-constitution-amending machinery may only be understood by the experts. It has evolved from the tax rental arrangements of wartime, through the "shared cost" programs, to the "well established" programs of today. The results to date have become of great importance to our economy and to our society. The process continues and the problems are both varied and enormous.

Most of the policies established by the conference require parliamentary sanction. The Federal-Provincial Fiscal Arrangements Act of 1972 is a good recent example of this. The arrangements which it embodies were devised as a result of many meetings at various levels of the federal-provincial organization.

I remember saying once at a CPA meeting at Banff that both federal and provincial members must know not only much about the powers and decisions of Parliament and the legislatures, but today they must also understand the status and thrust of the Federal-Provincial Conference if they would fathom the development of national policy.

Let us agree that the conference is not a new level of government, nor is it perfect. Its members are not directly elected. Certainly the first ministers and other ministers have been put into government by the electorate. But the help of expert staff has been enlisted in every field, economic, social, constitutional, medical, educational and others. Generally the debate is in a public forum, but that forum is neither Parliament nor the legislature. Only the conclusions and the proposals reach the floors of the houses.

The White Paper *Federalism for the Future* points up the importance of federal-provincial consultation. A study done at Queen's University by the Institute of Intergovernmental Relations there has recommended methods to improve both the liaison and the facilities for the conference. I hope it will not shock the Senate if I say that it is possible to count up to over 450 federal-provincial committees working on various problems at various levels, at various times.

Hon. Mr. Flynn: It's a big joke.

Hon. Mr. Connolly (Ottawa West): It is not a joke. It is a fact. Twenty-three of these committees are ministerial, 24 are at the level of the deputy minister, and the balance are at a more junior level, presumably of experts.

As Senator Goldenberg said last night, in 1971 there were 22 meetings of first ministers and other ministers, 23 meetings of deputy ministers, and over 200 meetings at lower levels. Statistics of this kind are boring, but the few I give emphasize the enormous amount of consultation going on.

One of the major concerns now is to put more order and efficiency into the system. Shortly after the war when the first ministers met, the provincial people usually had very small delegations and the topics were not particularly complicated. What financial and other expertise there was seemed to be supplied from the federal level. Now there is not a province without its experts, competent to discuss with experts at any other level the intricacies of public financing and the programs which result therefrom.

• (1550)

For the tabulation of results, it is difficult to find a measuring stick, but there are some available. For example, in 1943, in the middle of the war, after transfer payments, the federal government was spending 85 per cent of the public money, and the remaining 15 per cent was spent by provinces and municipalities. Today the federal authority spends about 35 per cent of the public revenue, and the provinces and municipalities some 65 per cent.

In 1944, 78 per cent of the public revenue was allocated to the federal authority, and 22 per cent to the provincial-municipal authorities. In 1971, more than a quarter of a century later, the federal level of revenue had fallen to 52 per cent and the provincial-municipal level had risen to 48 per cent approximately.

You may ask how it has happened that the provinces have so much more money to spend now than they ever had. Well there are three reasons. First, there were grants-in-aid made by the federal authority in the field of health, welfare and education. These to date have totalled somewhere between $4 and $5 billion. As the programs bacame "well established," the grants became, relatively speaking, absolute grants to the provinces in these respective fields.

Secondly, there have been equalization payments which Ottawa has made, without condition, to seven lower income provinces on the basis of a formula devised by agreement, and these equalization payments to date have amounted to about $1 billion.

Thirdly, the provinces, of course, have borrowed heavily and they have in some cases incurred budgetary deficits somewhere in the order of $2 billion to date.

It is also true to say that even these larger financial resources do not satisfy the needs of the provinces. Doubtless there will be more transfer payments, adjustments in fiscal and monetary policy, tax concessions, and probably new areas of provincial taxation.

Hon. Mr. Flynn: Why probably?

Hon. Mr. Connolly (Ottawa West): But the lasting and soundest source of funds for the public sector must, and will, come from solid economic growth in the private sector.

In our free society and our open economy, public expenditure should be directed to the improvement of conditions and climate in which the engines of the private sector can thrive. And the goal is not the enrichment of the few. The goal is the improvement of the opportunities of all the people of the nation. Government tries to establish the climate for the improvement of opportunity by these federal provincial arrangements. That is an intermediate goal only. It is not a goal in itself. The final goal is economic and social, to which the free enterprise system must be committed.

One cannot measure the value to the provinces of these developments, however, solely in terms of dollars. The social effects in education, in health, in welfare, in housing and in other areas, have been very great indeed. There are programs also, mainly federal, to provide grants for regions of slow development.

One of the overriding new problems arises out of an increasing concern about the environment. It may be that the desire for expansion and growth in the economy will be seriously tempered in the future for ecological reasons. It may even be that regions and communities will prefer a slower rate of growth and perhaps a lower per capita income, to preserve the nature of the environment the people know.

Honourable senators, there are many ways of promoting national unity. I want to suggest by these remarks, which really only touch the periphery of the problem, that the Federal-Provincial Conference has played and is continuing to play a very important role. This whole business of federal-provincial activity may be worthy of consideration by one of our committees of the Senate. It may have a greater influence upon the future of the nation than any of us as legislators can now discern. It may lead to other methods to help establish equality of opportunity throughout the nation. It may even result in agreement on constitutional patriation and reform.

Hon. Hazen Argue: Honourable senators, I think that everything that can be said in relation to Her Honour the Speaker and the excellence of her appointment as Speaker has already been said. However, it is my pleasure to add my voice to all the others who have extended to you, Madam Speaker, heartiest congratulations, and to express with them my own confidence that you will rule here with dignity, fairness, charm and efficiency. It is an honour for me to be in the Senate with you.

I am also pleased to congratulate the mover and seconder of the motion for an Address in reply to the Speech from the Throne on a job very well done. I think the calibre of debate in this chamber is high, and the mover

and the seconder have contributed to that high calibre in their presentations.

I want to congratulate Senator Asselin on his contribution today and to express my pleasure at his appointment and the appointment of the other new senators to this chamber. I am sure each of them will make an important contribution. I feel that the Prime Minister was wise in nominating a new senator to sit with the Official Opposition, and I would hope that in future appointments to be made the need for adequate representation in this chamber of the Official Opposition is kept in mind. I might also say there are large elements of this country that are in no way adequately represented in this chamber, farmers and working people, and I can think of others. I hope in the future, as in the past, that the Prime Minister will keep this fact in mind and make appointments accordingly.

• (1600)

In my judgment, it is pretty difficult to play an effective role in the Senate. It is tough. If we do not attend here and make a lot of speeches we are not doing our job. Everyone would say that. If we do come and make speeches there does not seem to be any correlation, in my judgment, between the quality of the speech and the amount of coverage given by the press. If the Senate is misunderstood, as I am sure it is very often, I think a good part of the blame rests in the fact that the media do not cover the deliberations of this chamber in any effective way. Of course, we do not expect that everything we say will reach the press. However, I do think that when an individual has had a lifetime of service in the other place and is appointed to this chamber—I cite as an example Senator McIlraith who gave his maiden speech here a few days ago—his speeches should be worthy of some coverage in national newspapers, and certainly in the local newspapers. It may have been my mistake, but I am sorry to say that I did not see any coverage in the Ottawa press of Senator McIlraith's important speech, or of Senator Lafond's speech, and he too is from this area.

All we can do is to keep trying. Perhaps if we improve our work here we will be given the kind of attention that many of us think we deserve.

I am pleased that committees are being constituted again in this session, as provided for in the Rules, and that we have a Committee on Agriculture. I hope the Agriculture Committee will be able to do effective work during this session.

I wish to say at this point that I was pleased to have been invited by Senator Michaud to go to Kent County this summer and view the agricultural conditions in that area. Senator Michaud made an excellent contribution in this chamber during the last session by bringing forward the problem of an almost disappearing agriculture in that part of Canada. Senator Lafond who is not a farmer to my knowledge, but who has taken an interest in agriculture, was also there, and the three of us were able to view the agricultural conditions in that area. It was depressing to see the state of the farms, and to learn of the low income of the farmers and that to many of those people agriculture appears to be a reprehensible occupation. It seems the ambition of nearly all the young people is to get off the farms as quickly as possible.

Agricultural conditions are improving. The cost of food is high. The prices paid to the agricultural producers in Canada today for beef, pork, wheat and feed grains are quite good. They have been increasing. I feel there is room for improvement, and a need for increased prices.

It seems to me that it should be possible to put together economic units of agricultural production in that part of New Brunswick so that we can increase our production in Canada, and so that many of those people in that part of the country who wish to farm will have the opportunity to do so in the future.

I listened with interest to Senator Connolly's speech, and was able to learn from it, as is always the case when he speaks. He pointed out some of the advantages to Canada of the federal government's taking the leadership in federal-provincial conferences to improve the old age security system, and to provide transfer payments on the basis of an accepted formula which takes into account the economic disparity in various parts of the country.

I have endeavoured to understand the position with regard to the Constitution that is taken by perhaps a majority of the people in the province of Quebec. I think it is absolutely necessary to Canadian unity that the opinions and desires of Quebec be taken into account and that there be as great an accommodation as possible. However, I am from the Prairie provinces and over the years we have not felt, rightly or wrongly, that the Constitution was our number one concern. Perhaps we were worried about the effects of the Constitution. In any event, we feel we are in a disadvantaged area which does not have the industrial growth that comes to some other parts of Canada. I have felt, and I still do, that there is much in common between the economic interests of the people in the province of Quebec and the people in the Prairie provinces. It seems to me that in those two regions and, of course, as well in the Maritimes, the people have relatively smaller incomes. We need to take action to ensure that these regions have more industrialization, and that incomes are increased whereby those people have the opportunity to enjoy a Canadian standard of living.

Having said that, my main contention is that it is time for the federal government to further improve and increase its leadership in the social security field, and to ensure that the people who most need an increase in benefits in fact receive them. There has been a lot of widespread criticism by important people in all political parties in Canada directed against what they have called "welfare bums," people on welfare as compared with those who work for a living. They have said that many people on welfare have refused to work. I want to point out the other side of the coin.

• (1610)

I believe it is a fact that those who live on welfare today do so on very meagre and inadequate income. I am not making a case for an able-bodied person who is physically and mentally able to work, but who exercises his right to refuse a job and just go on welfare. I wish to point out to honourable senators a state of affairs of which I imagine a great number of them are unaware, that the incomes of people on welfare in this country are on the whole shamefully low.

Hon. Mr. Flynn: May I be permitted to clarify a point, because it is very interesting? Do you include unemployment insurance payments in welfare?

Hon. Mr. Argue: Not in the remarks I am making today.

Hon. Mr. Flynn: I ask that because your remarks seemed to indicate that you include them.

Hon. Mr. Argue: No, I am not. I feel that there should be an increase in the amount paid to those on welfare generally throughout the country. I have endeavoured to read the debates so as to keep track of the statements made by the leaders and public figures of this country with respect to this problem. I find an exceedingly small number of people who have gone to bat and championed the need for welfare recipients to receive an improved and increased income.

I have in my hand an editorial from the Toronto *Globe and Mail* of December 19, 1972. I do not wish to read it in full, but I will quote briefly from it:

GAP BETWEEN NDP AND POOR

> The poor, in a sense, are becoming a group of Canadians without a political voice. At its inception the Commonwealth Co-operative Federation was a party of the poor, and into the early years of its successor, the New Democratic Party. The reasons were plain. The CCF was created in the hungry Thirties out of vast, real need; and at a time when governments were little involved with social responsibilities.

And so on.

Another sentence refers to the resolutions passed at the recent provincial conventions of the NDP in Ontario and Manitoba:

> A perusal of the resolutions that might have been passed, however, shows that few of them were directly concerned with poverty.

Further on the editorial continues:

> Yet the real poor—of whom both the Economic Council of Canada and the Senate Committee on Poverty found millions, most of them working—were not a first consideration in Ontario any more than in Manitoba.

The editorial ends with this sentence:

> We would like to see the NDP putting its conscience to work on the truly complex and difficult problems of the really poor.

Hon. Mr. Flynn: You have given up yourself.

Hon. Mr. Argue: I was not a member of the Senate Committee on Poverty, but I have studied its report. I congratulate Senator Croll and the members of the committee for a most excellent report which, in my judgment, is providing leadership in Canada right now to governments, and is showing the way. I would think that in the days ahead there will evolve policies that will lead, I hope quickly, to the general concept of a guaranteed annual income.

I have also read carefully the statements made by the Minister of National Health and Welfare, and wish to quote two sentences:

> We want to develop a reasonable balance between income support available to the aged poor and to the non-aged poor . . . we need to ensure adequate recognition in all cases of the additional needs where there are dependents . . . Supplementation must be structured so as to preserve incentives to work and also so as to recognize that larger family responsibilities involve larger income requirements.

I was able to obtain from the Department of National Health and Welfare a document dated January, 1972, obviously one year old but the latest available, showing the scales of income provided under welfare by provinces for families of various sizes. As I said, these figures are already one year old so, undoubtedly, there have been changes in some provinces. I do not wish to misinform the Senate in any way. There are notes on the following page to the effect that in some of the provinces the figures here do not cover, for example, fuel allowance. These figures, therefore, do not illustrate the total picture but I do think they give an indication in general of the income received by those on welfare. With the consent of the Senate I suggest that this table and the notes given to me by the research division of the Department of National Health and Welfare be included in the body of my speech.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

Hon. Mr. Argue: I wish to say that if I mention a province I am not attempting to single out that province because of the political nature of its government. I think the pattern, by and large, is the same in all provinces. Perhaps in Ontario those on welfare receive a little more than those in New Brunswick, shall we say, but one would expect that to be the case. In any event, all the rates in my opinion are abysmally low. I will read from this table the welfare income of a family of two adults and two children, a girl of eight and a boy of 13, in Newfoundland. It is $215 per month, or $70 per month less than the amount of income provided for two adults on old age pension. In other words, a man and his wife with two children receive total welfare payments amounting to $70 per month less than the payments received by a couple on the old age pension. I can go on. The welfare payment for a similar family in Nova Scotia is shown as being $113 less than that provided a couple by the old age pension, but the note indicates that this family would receive additional payments for rent, fuel and so on. The welfare payments for a family of four in New Brunswick amount to $187, or $97 per month less than the payments received by a couple on the old age pension. In Quebec the welfare payments amount to $218 for a family of four, which is $67 per month less than for a couple in receipt of the old age pension. The welfare payments in Ontario amount to $271 for the same family, or $14 per month less than that for two persons in receipt of the old age pension.

• (1620)

I do not think any member of the Senate will stand up and say that old age pensions are high enough. A campaign is on to raise them. It is being participated in by every political party in Canada, and I would think the campaign will be successful. I hope it is successful.

MONTHLY BUDGET STANDARDS FOR ITEMS OF BASIC NEED BY TYPE OF FAMILY BY PROVINCE
JANUARY 1972

Type of Family	Nfld.[1]	P.E.I.[2]	N.S.[3]	N.B.[4]	Que.[5]	Ont.[6]	Man.[7]	Sask.[8]	Alta.[9]	B.C.[10]
Adults										
Single living alone	$90	$131	$48.60	$117.00	$106	$115	$101.60	$95.25		$80
Married Couple	165	175	91.60	143.33	146	204	166.80	146.25		135
Families with children										
One parent with girl 8	150	163	85.20	137.00	144	195	165,40	130.70	Not Specified	143
boy 8, girl 13	175	200	137.40	161.33	180	230	200.30	172.95		181
boy 16	150	168	98.00	141.33	155	212	175.70	140.70		143
Two parents with one child 6	190	207	121.30	163.33	189	231	205.30	182.25		173
two children: girl 8, boy 13	215	244	172.00	187.66	218	271	246.10	220.75		211
three children: boys 6 and 11, girl 9	240	270	188.00	202.33	232	303	267.40	255.15		249
four children: girl 4, boys 7 and 9, girl 12	265	305	237.00	224.66	243	335	303.40	280.45		287

NOTE: Actual allowances granted may be subject to ceilings (see footnotes) and do not necessarily correspond to the budget standards. Municipalities which administer assistance may supplement provincial allowances.

[1]Exclusive of fuel allowance ($15 a month May-Dec. inclusive and $20 Jan.-April inclusive). Includes urban rent.

[2]Exclusive of fuel allowance, which may be paid on basis of actual cost. Includes urban rent.

[3]Exclusive of rent, fuel and utilities which together may not exceed $115. Provincial maximum allowances are set as follows: $75 for women 60-65 years who are single, widowed, deserted, divorced or unemployed; $100 for disabled persons and persons 65 or over; $200 for families.

[4]Exclusive of fuel allowance which may be paid on the basis of actual cost. Amounts specified for the various items of basic need are maximum amounts and the total allowance may not exceed an amount considered to be a reasonable standard in the community.

[5]Includes fuel and rent for Zone III (Montreal); Zones II and I are $5 and $15 less respectively.

[6]Rent for heated premises.

[7]Exclusive of fuel and utilities which are paid on the basis of actual cost.

[8]Exclusive of fuel allowance which may be granted according to provincial schedule or on the basis of actual cost. The rent allowance may also be paid on the basis of actual cost.

[9]Amounts for provincial allowances are specified for food and clothing only; other rates are set at community standards. Rates are not specified for municipal allowances.

[10]Includes fuel.

Are we going to reach the position when a couple eligible for the old age pension receives $350 or $400 a month, as they are able to do in British Columbia, while younger adults, with two children, continue to receive such miserable amounts as those which I have related to honourable senators?

It is my experience as a father that when kids are growing up it takes more money for clothes and food. It may take more for medical and dental care than it does for people who are more mature—for example, those 65 years of age and on old age pensions. It is a crying shame that in a country like ours these very low rates of welfare payments should apply in province after province.

I have friends on welfare. I am not speaking entirely about people with whom I am not in any way acquainted. I know that very often, perhaps usually, the diet of those on welfare is inadequate. The food budget is too small for good health. Where would such people get the money for fresh fruits and vegetables at this time of year under a system which says, "If you have two kids on welfare, we will give you $70 a month less than that which two people on the old age pension receive."

Hon. Mr. Flynn: But it is not the same government that says it. If my understanding is correct, welfare payments are made exclusively by the provinces, whereas the old age pension and assistance is provided by the federal government. Therefore, I ask the honourable senator if he would recommend that the federal government takes over the whole of the welfare system, or that the provinces look after it alone?

Hon. Mr. Argue: I want action, and I want to get it increased.

Hon. Mr. Flynn: But in which way?

Hon. Mr. Argue: I will endeavour to answer the Leader of the Opposition's question. In my own mind, I am not too concerned whether it is provincial money or federal money, or a combination of both. But the results need to be achieved, because Canadians should live well, even if some are unable to obtain work and are on welfare.

To answer the question of the Leader of the Opposition, I am not an expert but I have done my best, with the facilities available to senators, to gather information. As I understand it, the guaranteed income supplement is paid by the federal government, but if an old age pensioner requires money beyond that, there is an arrangement between the federal and provincial governments whereby that extra amount of money is shared.

As I am able to understand it—and I am positive I am right—welfare payments in Canada today are, by and large, on a fifty-fifty basis. Fifty per cent of the money

comes from Ottawa and 50 per cent comes from the provinces under the Canada Assistance Plan. It is a hodge-podge today, and needs correcting. It needs improving. The mess was even greater before the Canada Assistance Plan was placed on the statute books.

In my judgment, here is the place for federal leadership, for the federal Minister of National Health and Welfare to bring about a system, underwritten in a major part by the federal government, to improve the income of people on welfare.

As a Liberal senator, I am pleased to campaign for this increase. I know that there are members of the Senate who have been doing this for years, but I would appreciate a greater emphasis on this very important problem by politicians in this country.

There may be more votes in aiming for a larger across-the-board increase in old age pensions. These people may be organized much better than those who are on welfare, but to my mind the test should lie in whether a Canadian is receiving an adequate income. I am concerned about those people on welfare who are receiving an inadequate income. I am as concerned that their incomes be increased, as I am concerned that people in the 65 years of age bracket are living on inadequate incomes and should have an increase.

Hon. Mr. Flynn: Would you suggest any adjustment of the equalization payments formula to enable the provinces to equalize the welfare payments?

Hon. Mr. Argue: That might well be something that the government will do. I think it is something they are considering. But I am not here to spell out the formula. I am here to show the need, and to say that if there is no better formula, then let us do it on the formula we have now and increase the amount, rather than not do anything at all.

Hon. Mr. Flynn: You said we have a bad formula.

Hon. Mr. Argue: I come now to another area, in which people are in great need and which requires immediate consideration. I refer to those people receiving the old age pension, old age security, and the guaranteed income supplement, who are living in nursing homes or minimum care institutions. Under our present setup the bulk of their monthly old age pension cheque is taken away from them. When there is an increase in the pension they gain no advantage whatsoever; the provincial government takes the increase, or the home takes it—somebody takes it. All that the pensioner receives is the displeasure—I was going to say "pleasure"—of endorsing the cheque and seeing that the size of the cheque is greater. Although the amount is larger, they receive the same pittance that they received before the increase. It means that for some thousands of old age pensioners their dignity and self-respect have been destroyed. They are condemned to an existence which honestly could be described as torture, cruel and stupid. The circumstances of their lives are a damn shame, brought about by the confiscation of their old age pensions.

Every province in Canada operates senior citizens' homes or care institutions providing board and room and a minimum of nursing care. For many of our elderly citizens they are little more than jails without pay. True enough, the board may be adequate, or nearly so, and the rooms may be comfortable; but immediately an old age pensioner walks into one of those homes the provincial government, under its regulations, confiscates from 83 to 90 per cent of the old age pensioner's cheque, leaving the pensioner with between $15 and $26 a month, depending on how the province calculates it. This amount of 50 to 87 cents a day, is for all his personal needs—often clothes, entertainment, tobacco, bus fare, medicines, or at least patent medicines, gifts, newspapers, an outside meal or a cup of coffee, church donations, and so forth. This amount of 50 to 87 cents a day is termed a comfort allowance. What a misnomer. This is not a comfort allowance; it is a fortune! Anything that this pensioner may feel he or she needs over and above room and board must be provided in 1973 in Canada by the magnificent sum of 50 to 87 cents a day. When the federal government last year increased the guaranteed income supplement from $135 to $150 a month, these pensioners hoped that they too would get an increase in their allowance. No such fortune. The other old age pensioners were getting an extra $15 a month; their $15 was confiscated by their provincial government and went directly into the provincial treasury or into the institutions' budget.

• (1630)

This present arrangement of which I speak is both cruel and stupid in its application, in my opinion. How does it work? Take the example of an independent pensioner, Joe Brown, who for the past few years has been living on his own and taking care of himself on his pension, previously $135 a month and now $150 a month. He suffers a severe heart attack and is hospitalized. While in hospital medicare covers his costs, paying hospital rates from $50 to $100 a day. But Joe Brown continues to receive his pension cheque, as he should. He is in the hospital; he has a few dollars. He can buy somebody a little gift or he might even buy himself a beer if he is so inclined. He has his money—$5 a day, $150 a month—and he is praying for a fast recovery—

An Hon. Senator: Not too fast!

Hon. Mr. Argue: His prayers are answered: he makes a good recovery. He is physically able to get around. He goes downtown; he goes to a show; he plays billiards. He may even enjoy a pipe or a pint. But the recovery is not complete. He is not well enough to care for himself in his own home, so he goes into one of these minimum care homes of which I speak. Now, even though this minimum care costs the state but a small fraction of the cost of medicare, the cheap chisellers rob him of 70 per cent of his pension cheque and leave him a pittance of 50 cents a day. His prestige, his dignity, his self-respect have been destroyed. When he goes to the hospital the government says, "Under medicare we will pay the hospital $50 a day, $100 a day, or whatever the bill is. We will pay. We will send out your old age pension cheque; it is yours." But when this man makes a fairly good recovery, but still needs some care—minimum care—and goes into one of these minimum care homes, he is then placed in this intolerable position. The provincial authorities confiscate such an amount from his cheque as to leave him with as little as 50 cents a day.

There is a further danger now, that any future increase in the federal pension will once again find its way into the

provincial treasuries or into the institutions, and the pensioner will receive a torture pittance of 50 cents a day. So, from my place in this chamber, I am asking that the federal minister in charge, in his review of old age security and guaranteed income assistance, take positive steps to guarantee that our senior citizens in care institutions receive, for their own use, at least 50 per cent of the present maximum old age pension; that is, not less than $75 per month.

Now, I could have said that he should have the old age security portion of his cheque unmolested. It is hard to say precisely what he should have, and what would be the better thing to do. But certainly I am suggesting that a person in one of these minimum care institutions should have not less than half of his cheque for his own use. That is asking for something that is very moderate and is something that all of the governments combined should endeavour to meet, and see to it that our elderly citizens receive at least that much. After all, the federal government pays 100 per cent of the old age pension, 50 per cent in general of the cost of medicare, and it matches the moneys paid by the provincial governments for the operation of nursing care homes. Under these circumstances, I feel the federal government should show some backbone and insist that old age pensioners in nursing homes receive at least half of their old age pension cheque for their own use.

Hon. Mr. Flynn: Why not elsewhere? Why not for those who are not in those institutions?

Hon. Mr. Argue: If they are not in those institutions, they get their whole cheque.

Hon. Mr. Flynn: But it costs them something to live.

Hon. Mr. Argue: I am glad to have this type of support. I take it I can infer from what the Leader of the Opposition is saying that I am asking for too little.

Hon. Mr. Flynn: I am in favour of your proposal, but I am suggesting that there are problems. It is not as simple as you suggest.

Hon. Mr. Argue: I do not expect anything is really simple, but I should think that the principle that half of the old age pension cheque should go to the pensioner for his own use—his use over and above the cost of his board and room and minimum nursing care—is a principle that can be defended.

The new government of the province of British Columbia has said that they want their old age pensioners to get $200 a month. They have introduced legislation on the statute books of the Province of British Columbia to bring this about. The Prime Minister of this country said that the federal government would be prepared to take up half of the costs of the amount paid by the Province of British Columbia in excess of the $150 a month, up to $200 a month. I am glad he made that statement. It shows that before too long the old age pension cheques across this country may well reach $200 a month. My belief is that, while it is a welcome improvement in pension cheques for the majority, or at least a large percentage of those who are on the old age pension, neither the Government of British Columbia, or of any other province, nor the Government of Canada should overlook the need of our old age pensioners who are in nursing homes and other places, if the same thing applies, so that these pensioners may also get a reasonable proportion of the pension cheque enjoyed by others.

Hon. Mr. Rattenbury: May I ask the honourable senator a question? Is it not correct that in the province of Ontario the daily rate for these homes is set by provincial statute?

Hon. Mr. Argue: I think that is probably right.

Hon. Mr. Rattenbury: In effect, we have gotten away from what we used to call the almshouse. We have given some stature to these institutions; we, in effect, have given the inmate stature. He is not a charge on the community as such.

Hon. Mr. Argue: He has stature, but no money.

Hon. Mr. Croll: If I may, what the province of Ontario does is pay what they call a minimum. They pay $9.50 or $10, but it may cost $12 or $13.

• (1640)

Hon. Mr. Rattenbury: And who pays the balance?

Hon. Mr. Martin: The balance will be paid by another agency of government.

Hon. Mr. Flynn: Oh!

Hon. Mr. Martin: This is what happens. He has not got anything, so another agency of government may very well pay it or, if he has got it, he pays it himself.

Hon. Mr. Argue: As I understand it the charge varies from one institution to another. It may go from $250 to $300; it may go higher; but, in general, except for an exceedingly high level, the cost over and above $150 is split fifty-fifty between Ottawa and the provinces, and Ottawa, of course, pays all of the first $150, less the small allowance. So, when Ottawa increased, as it did a few months ago, its pension from $135 to $150, I think it was, saying, "Give it to the pensioner," the increase instead went to the province, or to those institutions; and, as I said in my opening remarks, between the provincial treasury and/or the institution itself, they benefited from the increase in the pension—but no benefit for the pensioner.

Hon. Mr. Rattenbury: Judging by the way the provinces handle any tax concessions made by the federal Parliament, they probably will handle this in the same manner, reduce the taxes here and the taxes then go to the provinces.

Hon. Mr. Croll: That is right.

Hon. Mr. Argue: That may be right. That increases the need for us all to do something—and I am sure that Senator Croll and his committee would agree with that. I am sure the Senate has made a contribution to correct the injustice of which I speak.

Hon. Mr. Croll: As far as it goes, Senator Argue's point is excellent and satisfactory, but I thought he was going to make the point—and he may still make it—that the rich province of British Columbia can augment to $200. But what do the rest of the provinces do? That is the vital point.

Hon. Mr. Argue: I would think British Columbia could augment; I would think Saskatchewan could augment it.

Hon. Mr. Croll: No, no.

Hon. Mr. Argue: Oh yes.

Hon. Mr. Croll: No, no.

Hon. Mr. Argue: I would think that New Brunswick could augment.

Hon. Mr. Croll: No, no. Senator Smith knows New Brunswick cannot do it.

Hon. Mr. Smith: That is so.

Hon. Mr. Argue: I am happy about all the help I am getting.

Hon. Mr. Croll: There are only three provinces which could do it. Her Honour the Speaker knows the answer also.

Hon. Mr. Argue: It is very interesting. Everyone is helping me.

Hon. Mr. Croll: British Columbia, Alberta and Ontario are the only provinces which can possibly do it. The rest need help, and they are not getting it.

Hon. Mr. Smith: That is so.

Hon. Mr. Prowse: You are paying for them.

Hon. Mr. Croll: Yes, we are paying for them.

Hon. Mr. Argue: With respect, I disagree with Senator Croll, at least to some degree, because in the poorest provinces, as in all provinces, the pensioner was provided an increase of $15 a month. The poorer provinces did not have to take the increase from their pensioners. They would not have been any worse off if they passed it on to them. Instead all provinces wanted to make money, they wanted to increase their revenue, at the expense of the pensioner who was being allowed only 50 cents a day. I do not think even the poorest province should have kept the increase in the pension paid by the federal government and designed to help the pensioners.

The federal government is prepared to pay even more. I would think that with the leadership that the new Minister of National Health and Welfare is giving to this problem we are going to make some progress. I would be highly surprised if that were not so.

Hon. Mr. Croll: You did not read the speech very carefully, Senator Argue, because one of the things he said in this speech was that he agreed there ought to be a variation—the very thing you and I do not agree on.

Hon. Mr. Argue: I read the speech very carefully. I was quite impressed and I believe that I will be proven right yet. I will be amazed if I am not, and if it is not made in the way I think it should be made, I will be making some other comments.

Honourable senators, the Throne Speech debate is very nearly over, and I am sure you will be glad to know that I intend to present a notice of motion to initiate a general debate on this question I have raised. I seek the continued support of the Senate to have this injustice corrected and the incomes to which I have referred increased. It is not easy for the federal government to do all the things that I think it should be doing in the social security field to make it possible that these more indigent people be given an increased income.

[Hon. Mr. Croll.]

The campaign in the other place, as I said, is to increase the old age security pension. The great advocate, Stanley Knowles, who has a reputation for being something of a leader in this, said this:

> If the government wishes to retain its principle of a supplementary amount on top of that basic pension [$150] we will go along with it.

Here is the great champion of the poor. He said that if you make the pension available to all of the rich, then maybe—maybe—if you should want to increase it to the poor, he will go along with it. The Senate is far ahead of this honourable member in the other place. I hope the Senate continues its leadership. I hope our leadership trickles over there and that needed increases in pensions and income for the poor will be forthcoming.

Hon. Mr. Rattenbury: I was hoping that the honourable senator would move that Senator Croll's report be adopted.

Hon. Mr. Croll: As a matter of fact, if you read the Speech from the Throne, there is a section in there that adopts it in principle.

Hon. Mr. Flynn: We have had enough on the Speech from the Throne; we want to have something in effect.

Hon. Mr. Laird: You will get it.

Hon. Mr. Flynn: Oh, 42 cents a month. You are generous people!

Hon. Mr. Bourget: What did you do when you were there in the 1960s?

Hon. Mr. Flynn: $46—

Hon. Mr. Bourget: That was one of the reasons why you were defeated.

Hon. Mr. Flynn: You have a short memory.

Hon. Bernard Alasdair Graham: Honourable senators, I am very mindful that this is the first time I have had the privilege of speaking in this chamber. I must, therefore, ask your indulgence.

I wish at the outset to say that I consider it a rare privilege to be associated with the distinguished men and women who sit in this house, and I want to thank all honourable senators for their generous welcome. Indeed, my gratitude extends in the same measure to the efficient officers and staff of the Senate itself for their many kindnesses.

To you, Madam Speaker, I extend sincere congratulations. Against the background of your considerable experience, ability and charm, I can only express confidence that your term as Speaker will be marked with the kind of success that is in keeping with the best traditions of this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Graham: At the same time may I offer felicitations to the former Speaker, Senator Deschatelets. He made all newcomers so welcome and so instantly at home, and by his wisdom and example set a standard which we might all hope to emulate.

• (1650)

We are all aware of the heavy responsibilities carried by the respective leaders, Senators Martin and Flynn. I can

only pay the greatest tribute to their dedication and, indeed, the skill with which they discharge their duties.

While acknowledging my junior status, I should like to associate myself with those who welcomed the distinguished Privy Councillors and, indeed, my very talented and charming seatmate who so recently joined us in this chamber. I also extend congratulations, of course, to the mover and seconder of the Address in reply, Senators Hicks and Lafond, and to all senators who preceded me in this debate.

The Speech from the Throne, a most important document, is remarkably comprehensive in its scope. This program, a farsighted program which has such a clear sense of direction, has been presented to Parliament by a government headed by one of the most remarkable men of this generation, the Right Honourable Pierre Elliott Trudeau. I submit that our Prime Minister has made politics and the responsibilities of public life more relevant to more people than any other individual in the history of our country. He has demonstrated great qualities of leadership, strength and courage in his efforts to maintain a united Canada. The Throne Speech reflects his sensitivity to the needs of citizens in all regions, and his determination to provide, in so far as it is possible, equal opportunities for all Canadians.

The central theme of the Throne Speech is the twin concept of national unity and equal opportunity.

Honourable senators, we live in an age of affluence, with the highest standards of living, the highest levels of income, and the most advanced social welfare in our history. Yet at the same time over 20 per cent of Canadians live in unconscionable poverty. The globe itself is frustrated by the face-to-face existence of opulence and famine, and our so-called productive genius seems to be blockaded by our inability to solve the problems of distribution and to share fairly the world's resources and wealth.

In Canada, despite the expenditure of millions of dollars, we have been unable to solve the problems of disparity and inequality, which is perhaps a euphemistic way of saying that we have a problem of much poverty in a rich, developing country, and we ask ourselves why this should be so.

Perhaps our difficulties in this respect can best be explained by the lag between productive capacity and institutional response to rapid change. Perhaps the problem can be explained in terms of a lack of sufficient research into human relations. Perhaps the explanation lies in the fact that our advance in technical communications far exceeds our advance in human communications and our ability to produce adequate answers. Perhaps, I suggest, the primacy of our attention has been focused on the philosophical and the theoretical excellence of policies which in their practical application failed to reach beneficially those they were designed to reach. I am referring to people, to individuals, to human beings.

The real hope in Canada today is that governments at all levels will be able to bring to the problems that beset this country a new sensitivity, new co-operation, a new sense of compassion and understanding that will alleviate and in the end, hopefully, annihilate the serious injustices and inequalities that exist in various regions of the country.

It is in this spirit of understanding and co-operation that I note in the Speech from the Throne the government's emphasis upon its intention to consult extensively with provincial administrations with regard to the implementation of a wide variety of social and economic policies. Let us hope, honourable senators, that we are seeing the beginning of a decline in federal and provincial competition, and that this competition might be replaced by the kind of co-operation which is born of the realization that all governments exist to serve the people and that the people must come first.

I think at the same time we must emphasize the necessity of having a commitment to a strong central government, because without such a commitment it will be impossible to have any kind of commitment to the disadvantaged regions.

We have also noted a desire on the part of the government to tailor individual programs to the individual, specific needs and circumstances of different provinces and different regions. For example, when dealing with social security programs the Speech states that:

> . . . it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

The Speech contains proposals for federal-provincial consultation on a reorganization of the social security system, housing, freight rates, regional economic problems and other matters.

As a Nova Scotian I find that this strong emphasis upon the desirability of co-operative planning between Ottawa and the provinces holds great hope for progress in finding effective and workable solutions to the complex problems we face. I am convinced that historic problems such as economic disparity from region to region across this country can be successfully overcome only if we recognize that the economies of our various regions are not at all alike.

I think it is obvious to everyone, for instance, that in getting his goods to market the manufacturer in Sydney faces a completely different set of problems from the manufacturer in Toronto or Winnipeg. We should also recognize that a policy which might stimulate growth in one region might actually retard it in another.

Aware as they are of the particular needs and the opportunities which might exist within their own jurisdictions and within their particular regions, provincial governments are in a position to suggest modifications of federal policy which could well make the policy more effective. I suggest that flexibility is the key concept; flexibility based on the realization that economic objectives can be reached in different regions in different ways.

As some of you know, I have been involved with the problems of Nova Scotia for several years. In that period there has been a great deal of study, action and debate on the problems of disparity and development.

• (1700)

To begin an honest assessment of the problems of development, we have to look at the balance sheet of a region's assets and liabilities. These have to be considered with

intellectual honesty. It is necessary to understand that this kind of assessment must be a blend of economic, social and political realities.

I do not think we can ignore for one moment that Canada is an economic paradox and that its survival over the years has depended upon economic compromise. Our economy is an unusually difficult one to operate without large regional disparities. The distinction of our generation, I suggest, is that we are becoming more aware of these disparities and, perhaps for the first time, we are attempting to do something about them. Up to this point in history these problems have been faced more with a "band-aid" type of solution, and I believe that these kinds of solution were devised because they were the only ones available. It is easy to criticize the welfare and subsidy type of solution, but it is far more difficult to find the lasting solutions that will provide for long-term inter-regional equity. No one has yet found the answer to regional disparity or regional development. It is even more difficult to find the answers or press the button for an instant solution in periods of slow economic growth such as we have experienced in Canada in recent years.

It is to the credit of governments, both at Ottawa and in Nova Scotia, that certain specific regional approaches have already been taken. The creation of the Cape Breton Development Corporation and the takeover of Sydney steel operations were bold approaches to long-term problems of regional decline. Both senior levels of government recognized and were convinced that ordinary approaches could not meet the challenges presented by the socio-economics of Cape Breton, and that this region would be faced with even greater chaos unless extraordinary measures were taken.

Nobody is going to leave the impression, least of all me, that the problems of steel and coal have been solved or that the long-term diversification of our economic base is almost a reality. But I suggest that we not forget the stark alternatives that faced the steel and coal industries in Nova Scotia in the late 1960s. We were told that steel was finished. By contrast, a multi-million dollar modernization program is under way. Coal was to be phased out. A program for substantial, continuing coal operations has been developed. DEVCO and SYSCO have together embarked on programs calculated to provide in excess of 6,000 jobs in industries that only six short years ago were labelled for total extinction. That, in my judgment, is commendable performance. It is a success achieved through the mutual co-operation of governments, management and labour. I suggest, indeed I hope, that not only the Province of Nova Scotia but other areas of the country will enjoy similar success through the same kind of mutual co-operation in future.

I submit that public participation is necessary to progress in our country. It is going to be necessary for the success of any given region. It is also necessary for people in disadvantaged areas to demonstrate that they themselves are doing the maximum job in developing their own resources, both human and natural. But it is very important for us to be brutally honest at all times in order that expectations of the people are not raised to unreachable levels, and that the problems that retard our development are not swept under the rug. At times I feel we must follow the prayer for sobriety—to accept the things we cannot change, having courage to change the things we can, with the wisdom to know the differnce.

Hon. Mr. Martin: Good old St. Francis Xavier.

Hon. Mr. Graham: The Strait of Canso area in Nova Scotia, which our Leader, Senator Martin, has visited on a number of occasions, today offers some of the most exciting prospects for industrial development in all of Canada. We have there one of the finest year-round, deep water ports in the world. Construction of a multi-user docking facility will put that part of Canada in the major leagues among world shipping and petroleum industries. Negotiations have been proceeding for some time between the government of Nova Scotia and several very large oil companies with a view to locating on the shores of this magnificent waterway. Oil and natural gas discoveries in offshore areas offer new hope that we can develop in Nova Scotia an economic base that will provide greater stability, and allow us to join the "have" provinces, thereby making an even greater contribution to the Canadian nation.

But, honourable senators, all our hopes and all our expectations could well be frustrated unless existing transportation costs and policies undergo sweeping changes. In our region we see a major fallacy in a program of redevelopment that has the tendency to provide major transportation subsidies for exporting raw and semi-finished materials, while at the same time making costs almost prohibitive to ship finished goods into other areas of Canada. This happens at the same time that we in Atlantic Canada are forced to pay the costs of protective tariffs that are designed to strengthen the secondary manufacturing sectors of other regions.

The remoteness of the Atlantic provinces from the central Canadian markets is one of the most troublesome features of the Canadian economy. We have already heard evidence that Westerners feel the same way in respect of their very similar problems.

The normal effect of present transportation costs is to centralize our nation's population and industries in a single area. But from the very beginning in Canada it was never intended that railway transportation should be treated as a matter of simple economic cost. Although the railway system was designed to build and bind together a new nation, its inequitable cost structure has, I suggest, for some decades served more to separate than to join Eastern, Western and Central Canada. I am therefore pleased to learn from the Throne Speech that the Government of Canada will meet with the provincial governments in the five regions of the country to examine the impact of freight rates on economic development and consumer prices.

• (1710)

Honourable senators, I cannot place too much emphasis on the assertion that we desperately need a new transportation policy that will provide the remote, disadvantaged regions with an equal opportunity to fully realize their growth potential.

In striving for national unity and equal opportunity, we must together help to remake society, as Senator Argue suggested, a society in which persons are recognized for

their intrinsic dignity. It is impossible for man to become fully civilized until he has the security of the basic needs of humanity: food, clothing and shelter. The erosion and destruction of an individual's dignity brings about a basic dehumanization.

Basically then, in today's society it is not so much the problem of production, but the problem of equitable distribution; it is not the problem of the creation of wealth, but the problem of sharing some of that wealth with the large minority of the poor; it is not so much the problem of what man can do, but the real problem of what happens to man in the process.

I am sure that all honourable senators will welcome those passages in the Throne Speech which deal with social betterment. We are told, and rightly so, that the social security system must ensure to people who cannot work, the aged, the blind and the disabled, a compassionate and equitable guaranteed annual income. There will be proposals for increased pensions, and more attention will be paid to those people in special categories who have the greatest need for more assistance.

The entire section of the Speech dealing with the reorganization of Canada's total social security system has much to recommend it to the Canadian people.

I suggest that no economy is working as well as it should as long as there are people in quest of work and cannot find it. Statistical comparisons and the use of graphs and charts in this most serious problem are no substitute for jobs. The only realistic approach to keep pace with the tremendous increase in our labour force is to have greater growth in the economy, something to which the present government is totally committed.

At the same time, as the Throne Speech confirms, the social security system, as it applies to people who can work, must contain incentives to work, and a greater emphasis must be placed on the need to get people who are on social aid back to work.

Housing is one of the most serious social problems facing Canadians. I am pleased with proposals, as outlined in the Throne Speech and discussed here during the last couple of days between representatives of federal and provincial governments, to improve upon existing legislation. However, I would urge the Government of Canada to give consideration to the possibility of decentralizing some of the procedures of Central Mortgage and Housing Corporation so that final decisions, where feasible, might be made on a regional basis. Greater autonomy in various sections of the country would do away with a lot of the so-called red tape which, I suspect, is the cause of unnecessary delays in approving various projects. I am also hopeful that a more realistic approach might be taken in respect of design as it applies to climatic conditions, material and building costs, and the ability to pay, as these factors relate to different regions of the country. But I must emphasize that if we are to have a realistic housing policy that will produce homes for people, this can only come about with an unconditional commitment by government to give housing a more important priority in Canada than it has up to this point.

One of the most perplexing problems that faces any disadvantaged region is that of providing for the education of its constituents. I am sure that Senator Hicks, Senator Rowe and others in this chamber are much better qualified than I am to speak on this important subject. On the one hand, they know it is urgent that they improve the quality of education on a continuing basis. And yet, in areas that are disadvantaged, or where poverty is prevalent, sometimes it is impossible to find the finances that will allow them to improve the level of educational service as it should be improved. May I assure you that I do not equate the cost and quality of education, but at the same time the improvement of quality demands considerable financial investment.

Across this country today there is a tendency, and perhaps rightly so in many instances, for all levels of government to curtail the increasing costs of educational services. We must get the best value for our educational dollar. I have no quarrel with the demands by government that those who are responsible for educational programs be made to account for their expenditures; but at the same time I would urge that governments at all levels make every effort to see that financial assistance is available to the disadvantaged areas in order that they may improve the quality of their educational services.

While it is true that there is some disenchantment with the costs and benefits of education, both on the part of the potential student population and the taxpayers, we must be ever conscious that if the poverty cycle is to be broken, one of the greatest hopes we have lies in a more adequate educational program for the people of disadvantaged areas.

Perhaps we are sometimes overly sensitive in the extremities of our country—at least I believe this to be true in parts of Atlantic Canada—but we are aware that many people in other parts of Canada are sometimes critical of federal aid to develop highway systems and other industrial infrastructures that in the long term ought to improve the economic prospects of our region and thereby improve the economy of the country as a whole. It is important for us to understand that the disadvantaged regions have played important roles in the development of this country.

However, faced with an economic system that is designed by technology and by economic policy to centralize, you will realize that the regions that are not enriched by these policies are still faced with extremely high costs of providing educational and welfare assistance that make it impossible for them to do many of the other things that people expect at this point in history.

• (1720)

While we often hear about the number of people who are drawn to the economic centres of the country, and who sometimes become liabilities in their new communities, I suggest that not enough is heard of the mass of skilled, competent people who greatly add to the prosperity of their adopted regions. Little is heard of the effect of losing these skilled manpower resources that consistently impoverish the disadvantaged regions.

Being a native of Nova Scotia, I think I can say that Nova Scotia has been one of those provinces which have improved many parts of Canada and, indeed, many parts of the world, through their native manpower resources.

It is heartening to know that this Parliament intends to investigate Canadian economic policies and their impact on economic development. I hope that this investigation will be wide-ranging and that it will include not only the impact of freight rates, but also the rationale for these costs, and not only the transportation effect on consumer prices, but that it will attempt to discover all the market manipulations that increase prices in the outer regions of this country.

We will need the total co-operation of all segments of government if we are to overcome both the human and the regional problems of disparity in Canada. This means that we will need major financial assistance and involvement on the part of the Department of Regional Economic Expansion. Any attempt to limit the resources of this department would be detrimental to evolving a strategy to provide equal economic opportunity to all regions. We also need to find out how our banking and other financial institutions can be more effective in providing sources of capital for economic development in the disadvantaged regions. Perhaps the proposal to redesign the Industrial Development Bank will be part of the answer, but, certainly if there is to be significant progress, there is a role for all financial institutions in all parts of the country.

Honourable senators, in closing I come back to the central theme of the Speech from the Throne, national unity and equal opportunity for all Canadians. I cannot envision more admirable goals and I cannot envisage one being achieved without the other. Let us remember, however, that with the best intentions and efforts in the world we have little hope of finding a permanent solution to the problem of national unity unless we realistically come to grips with the problems of regional disparity. We all know that if Canada has a national identity it is a mosaic of the regional and cultural identities. Because we are such a big country, for many years our communities developed in isolation from each other, separated by endless lakes and by, as someone called them, untamed forests. Regions developed with more distinct characteristics and cultures than you would find in more densely populated nations. In fact, regionalism became very prevalent and people felt that to be a good Canadian it was necessary first to be a good British Columbian, a good Quebecer or a good Nova Scotian. I suggest that the railway, which threaded our regions together, and the highways and airlines which, comparatively speaking, so recently joined the patchwork which is Canada, have not destroyed that essential regional identity.

So it follows that the health of the nation depends upon the health of the regions. Sickness or lethargy, whatever it is and wherever it is, affects each one of us.

It is essential, then, that we attend to the problems of the regions. I say it is essential because, in my judgment, we are at a critical stage, whether our particular concern is with the problems of national unity, regional cultural identity or economic survival.

You know, there is one attribute that all Canadians share, whatever their region: they are, for reasons far greater than narrow chauvinism, people of that region. But a sense of pride in heritage cannot survive in theory alone. The subsidy, or whatever we want to call it, cannot be a way of life, even though it may be intended to sustain a region for a time. We all want to pay our way. Self-sufficiency is imperative if pride of region and, consequently, national identity is to survive.

I suggest, with the greatest respect, that we all have our own unique contribution to make. But if we are to make it we will make it because all Canadians came to understand that the good of the whole is dependent upon the health of all its parts.

Hon. Mary E. Kinnear: Honourable senators, how can one find adequate words of expression in this debate after the beautiful and well prepared speeches we have heard today? I have the temerity to attempt it, and wish to speak on a subject of daily concern to all.

First of all, I would like to pay my compliments to several people. I think it was a wise and splendid choice when the Honourable Muriel McQueen Fergusson was chosen as the Speaker of the Senate for the Twenty-Ninth Parliament of Canada. My heartiest congratulations to her.

Congratulations also to the Leader of the Senate, the Honourable Paul Martin. His ability as a speaker is without parallel and he is a unique parliamentarian. He is as well known in international circles as he is in Canada.

Congratulations to the Leader of the Opposition. He has an important role to play and is admired for his analytical approach to all business before the chamber.

Congratulations also to our former Speaker, the Honourable Jean-Paul Deschatelets, who kept us all in order and whose sense of humour was timely.

To the mover and seconder of the Address in reply to the Speech from the Throne, I tender my congratulations. Be assured that we appreciated the top quality of your addresses and their admirable presentation.

I also offer my congratulations to all other honourable senators who have spoken in this debate.

• (1730)

I extend a warm welcome to all new senators. They are experienced in the public life of Canada, and they bring to the Senate talent, diplomacy and common sense.

I too mourn the death of Mr. Pearson. He was a great diplomat, both in Canada and throughout the world, and a friend to us all in Parliament.

I propose reading from the *Debates of the Senate* of January 4, 1973—two paragraphs, the last paragraph at the bottom of page 9, and the first on page 10—as my initiative to speak on pollution. I am following closely the pollution situation in Canada. The paragraphs read as follows:

> Measures to protect the natural environment and to enhance the productivity of Canada's renewable resource industries will be laid before you. In addition to amendments to the Fisheries Development Act, you will be asked to consider an Environmental Contaminants Act and a Canada Wildlife Act.
>
> To preserve the ecological integrity of Canada's coastal and maritime areas, further preparations will be made for the Third United Nations Law of the Sea Conference. The Ministry of State for Science and Technology, in co-operation with the Department of the Environment and other interested departments,

will recommend a national program of research and development in the field of Marine Science and Technology.

Today I intend to continue discussing some of the aspects of pollution. Nearly six years ago, when I made my maiden speech in this chamber, I attempted to point out the mounting problems of pollution, particularly in Southern Ontario. Now the individual is interested, and with everyone doing his bit to control pollution the situation should improve in an orderly manner. As a small example, it is now illegal to have a bonfire. Surely this step will educate us to the great danger of forest fires. Statistics show that most forest fires are started by careless smoking, and by leaving the scene before a bonfire is completely out.

Air quality must be assured. If not, persons suffering from respiratory infections will be adversely affected. In some parts of Southern Ontario it has been necessary to shut down temporarily the offending industry. It is now quite common to have the pollution count along with the weather report. Recently—on January 3, 1973, to be exact—we received a circular from the Minister of the Environment. The release contains tables showing acceptable levels of chemicals in the air. It tells us the condition of the atmosphere, but the average citizen does not know which chemical or combination of chemicals is causing the discomfort. He knows when his eyes smart or sting, when he gets a substance in his eye, or is confronted with an acrid odor.

We in Ottawa are fortunate to suffer very little from this pollution. In areas of heavy industry it is another matter, and the citizen looks to government to correct this condition quickly.

One source of pollution which concerns me very much is that of daily waste and garbage. Honourable senators might think that this is a municipal judgment, and they would be quite right, but in some large centres they are considering hauling trainloads and truckloads to the distant countryside, and this then becomes a provincial matter. If it is burned, the air becomes polluted. This is a national matter. Any way we look at it, it is becoming one of the world's great problems, and I trust it will be dealt with in federal-provincial meetings. Canada is a tremendous land mass, and it will probably be a long time before we encounter difficulty with over population. Now is the time to tackle pollution in all its forms. This is only good housekeeping.

I recognize that the worst air pollution is caused by car exhausts or emissions. Strict rules are demanded by government to have manufacturers develop the necessary equipment to meet the tests required for clean air.

Recently I was in a car that was fitted with a pollution control device. I found that the car used an increased amount of gasoline and slowed down on hills. That is something that I did not like. We need to have sufficient power at all times, especially on hills.

Until there are controls enforced by all levels of government regarding effluents, it will be difficult to maintain clean air and pollution-free waters.

From my observation, and in trying to keep in touch with government and the media, I believe we are beginning to make a considerable impact on the cleanup of our lakes, rivers and streams.

For example, in the summer of 1972 the Canada Centre for Inland Waters at Burlington, Ontario, researched thoroughly the water of Lake Ontario. One conclusion reached was that Lake Ontario was not as polluted as Lake Erie.

I can tell honourable senators that Lake Erie is not as bad as we thought. People have strange ideas about this lovely lake. While travelling to the airport in a limousine a passenger said, "Lake Erie is a dead lake; nothing is alive in it." That was the exact expression. How awful to make a statement of that nature. Fishing is increasing, one of the good signs being the catching of Cohoe salmon. Lake Michigan, an all-American lake, was stocked with Cohoe, which spread along the rivers and lakes, and they are now down to the northeast part of Lake Erie, which is at the junction of the Niagara River.

Among the beneficial effects is the fact that the Cohoe lives on smaller fish such as alewives and smelts. This upgrades the quality by having more marketable fish than the lower grades. During the spring of each year huge quantities of alewives are washed ashore. Municipalities have difficulty in disposing of them, thus leaving many to rot on the shore.

To prove the point of the finding of Cohoe salmon, I have two clippings from the Welland *Tribune*. In the first one, dated August 3, 1972, the author brings authority with him. He is Richard Loblaw, district fish biologist for the Aylmer district. I quote from the article:

> Frisky cohoe salmon from the American side of Lake Erie are jumping and biting near the sand banks of this community about 15 miles southeast of Chatham.
>
> The big silver fish, native to the Pacific Ocean, are hitting all kinds of artificial lures, mostly those with a silver finish.

Are those honourable senators who are fishermen interested?

> Richard Loblaw, district fish biologist for the Aylmer district of the ministry of natural resources, said:
>
> "Who said Lake Erie is dead? If anything it is too much alive."
>
> Reports in the late 1960's labelled the lake as dead because of excessive growth of algae and abundance of coarse fish.
>
> "Sure there are bad spots," said Mr. Loblaw. "The Detroit River basin is in bad shape but that doesn't mean the whole lake is the same." Cohoe up to 15 pounds have been caught and most of them have struck in shallow water while trolling.

• (1740)

> Erie, the shallowest of the lakes, has not been frequented by the lamprey, an eel-like predator that attaches itself to large fish and sucks out blood and other body juices.
>
> "We've only had one lamprey mark on a fish caught and that must be a good sign," said Mr. Loblaw. He said the public may have been misled by reports that Lake Erie was polluted.

Eels, I might say, are a great menace in Lake Ontario. I am pleased that the Cohoe in Lake Erie help get rid of the alewives and I would not mind if the smelts were eaten.

The second one, dated October 20, 1972, has a picture of a man holding a 26 inch seven pound Cohoe salmon caught by R. Turgeon of Welland at Morgan's Point.

Most of you know the water in the lakes and rivers is at a record high level. Tremendous damage and erosion have been experienced along the shores of the Great Lakes. Retaining walls have been washed out and much flooding has occurred. High water helps reduce pollution, but the damage by storms has been very high indeed.

Possibly we are at the end of the high-water cycle. Just a few years ago we had very low water and there was fear of a water shortage. In fact, in several places clouds were seeded to produce rain, with little success. Rain is the element which controls the level of the lakes and rivers. This past year proved it beyond a shadow of a doubt; there has been rain in abundance. We needed sunshine in between showers and received very little. I might add this type of weather is not the best for a fruit growing area such as Niagara, but I think farmers in other parts of Canada had less rain and more sunshine. Probably the year 1972 was not a vintage year for the wine producers, but I am certain a good product will emerge. Over 90 per cent of the wine produced in Canada is from grapes grown in the Niagara area.

I should like now to turn to another form of pollution which occurs in Southern Ontario, oil spills. Oil spills happen all too frequently, but now we are geared to such emergencies, and usually there is a quick cleanup. With the increasing demand for oil, it is obvious we must continue to oversee installation of pipelines with the greatest concentration on skilled, expert workmanship.

There is another kind of spill which causes alarm. I am referring to the chemicals carried in railway tank cars or, for that matter, in tank trucks. The one I am referring to took place recently in the Niagara fruit area about 10 or 12 miles from my home. There was a derailment of tank cars carrying sulphuric acid. This was a serious accident. Several families in the area were evacuated. Immediately there was great concern lest the sulphuric acid should get in the wells. Ditches and roads were blocked off and wells protected. Fortunately, there was no explosion or fire. Several acres of fruit land were turned into a spongy marsh-like area. After a complete survey of conditions, it was decided to strip the topsoil until all the sulphuric acid contamination was gone and then bring in good topsoil suitable for growing fruit. I hope all this can be finished in time for land use this spring. There is an ever-present danger of accidents of this nature because the trains and trucks carry many thousands of tons of explosive materials.

I read a fantastic article in the *Globe and Mail* of January 16, 1973, of which I have a copy, headed, "Residents of New Brunswick town say they are pollution prisoners." I am only going to refer to two short paragraphs. I find it unbelievable that something like this can take place. This situation in Morrison's Cove, near Chatham, New Brunswick, is a sad story. The industry concerned is Airscrew-Weyroc Canada Limited. I quote:

[Hon. Mrs. Kinnear.]

> Residents of Morrison's Cove complain they are prisoners in their own homes, can't drink the water or breathe the air because of pollution from a particle-board plant.
>
> Mr. Brown told him—

"Him" being Brian Barnes, environmental officer with the provincial environment department.

> —Morrison's Cove used to be a tranquil place. But now the water is polluted, the air is filled with wood fibre, wood chips and other waste and air compressors add noise pollution around the clock, he said.

That is a dreadful condition. Any industry starting anew and doing that should be taken before a pollution board immediately and stopped.

I quote again from the article:

> Judge Clendenning's decision came in a strictly local case involving sand removal from dunes beside Sandbanks Provincial Park near Picton.

I have read a great deal about this, as I am sure other honourable senators have.

The article continues:

> Agda Rayner, a Toronto secretary who vacations there, accused Lake Ontario Cement Ltd. and Triad Truckways of environmental pollution through noise emissions.

And I quote the judge's ruling:

> The judge ruled that environmental pollution of all types is of pressing national concern and therefore a federal jurisdiction under the British North America Act.

Each person must play a carefully scheduled part to take care of the daily waste, garbage and so forth. Industries must keep the air clean by scientific control of effluents emitted from their stacks. Industrial control of their sewage is a high priority. It is the same for municipalities throughout our nation. Constant offenders must be penalized by a large fine, to make it clear to them that the government means business, and they must also be made to correct immediately the conditions causing the pollution.

I believe we are making noticeable strides in pollution abatement.

On motion of Senator Laing, 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 yesterday.

Hon. Gildas L. Molgat: Honourable senators, the report was presented yesterday, and I am prepared to move its adoption now.

Hon. Mr. Croll: I am opposing its adoption now.

Hon. Mr. Molgat: Honourable senators, the purpose of my moving the adoption of the report now is that Senate committees can be organized, hopefully tomorrow, and proceed with their work, or at least establish their

schedules of work as soon as possible. We will be receiving some matters from the other place which should be dealt with before too long. We have estimates before us now which should be dealt with.

• (1750)

So I move, seconded by Senator Smith, that the first report of the Committee of Selection be adopted.

Hon. Mr. Flynn: I think this cannot be moved until there is unanimous consent, and I do not think there is.

Hon. Mr. Croll: I do not give consent.

Hon. Mr. Deschatelets: On a point of order, I think the notice was given yesterday.

Hon. Mr. Molgat: That is right.

Hon. Mr. Deschatelets: That is, for today. Therefore I think the motion could be adopted now.

Hon. Mr. Flynn: It could be that you are right; I do not think so.

The Hon. the Speaker: On the motion itself, there is no need to have unanimous consent. I would put the motion now.

Hon. Mr. Haig: Honourable senators, before the motion is adopted, may I ask Senator Molgat a question? He mentioned earlier that the committees would have organization meetings, hopefully tomorrow. If so, may I suggest that the meetings be called consecutively.

Hon. Mr. Flynn: Before the motion is put; before it is adopted?

Hon. Mr. Molgat: I was going to refer to this after the adoption of the motion, but if it is preferred I will explain now what I have done.

Hon. Mr. Haig: Explain.

Hon. Mr. Molgat: I have discussed with the Leader of the Opposition what I am proposing. The idea would be to proceed tomorrow morning at ten o'clock with a meeting of the Committee on Legal and Constitutional Affairs, which has before it the question of parole. Then at 10.30 the Committee on Banking, Trade and Commerce would meet. At eleven o'clock there would be a meeting of the Committee on National Finance, and at 11.30 a meeting of the Committee on Agriculture.

When I say "hopefully" I have in mind the fact that if the motion is not agreed to those committees cannot meet tomorrow. The Committees Branch has been warned in anticipation that the motion might be passed, but it is clearly understood that they are not to call those meetings until the motion is passed. The preliminary work has been done, and there was agreement from the Leader of the Opposition.

Hon. Mr. Flynn: I agree with that, and as far as I am concerned I have no objection to the motion being put. However, I think it would be important for the Senate to know whether the objection made by Senator Croll is valid or not. Her Honour the Speaker has not ruled.

Yesterday a notice of motion was given by Senator Molgat, but we said at that time that there was no leave. I do not know if only one day is required. If that is the case then the argument made by Senator Deschatelets is valid and, of course, the motion can now be put. But if this motion requires two days' notice after having been put on the Orders of the Day, the objection by Senator Croll is valid. That is why I would like that point made clear—not because of the subject matter of the motion, since I am willing to give leave, but because on another occasion I would want to be able to use the argument of Senator Croll, if it is valid.

Hon. Mr. Grosart: Honourable senators, on the point of order. I think there is some difficulty here caused by some confusion yesterday. Honourable senators will recall that the Rules Committee recommended, and the Senate adopted, the change in the order of the items in the Order Paper, putting Inquiries and Motions at the bottom of the order in which items are to be called by Her Honour the Speaker.

On two occasions yesterday attempts were made to ask for leave to put motions under the item "Notices of Motions." Objection was taken in both cases, and the objection was sustained.

I definitely recollect that Senator Molgat at that time asked that his motion be taken as notice, and I think *Hansard* will record that the Senate accepted that. Therefore, I think it can be taken that Senator Molgat did give notice. So the Senate at that time accepted his notice of motion, at the end of the proceedings yesterday. I submit to Your Honour that notice was given.

Hon. Mr. Flynn: Yes.

Hon. Mr. Grosart: And that under Rule 45, this motion qualifies for one day's notice.

Hon. Mr. Flynn: It can be moved now.

Hon. Mr. Molgat: That is right.

The Hon. the Speaker: In that case, honourable senators, I will put the motion, notice having been given in accordance with Rule 45.

It is moved by Honourable Senator Molgat, seconded by Honourable Senator Smith, that this report be now adopted. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, I have a few remarks to make on the implication of this report. As you all realize, the representation on committees of senators on both sides of the house has been complicated by the fact that the rules have been changed, reducing to 20, from 30, the number of senators serving on each committee. Furthermore whereas the representation of the Official Opposition was about one-third on committees until this Parliament—because we were more numerous at the beginning of the former Parliament—it has now been reduced to one-fifth on each committee. That is a fair measure, mathematically speaking, but that has forced us to remove from some committees many members who had been serving for years, and who enjoyed the work of those special committees to which they were attached.

In consequence of this, I would like to make a suggestion. It is too often forgotten by senators that they may attend committee meetings without being committee members, and that the only handicap they suffer when they attend meetings of committees of which they are not members is that they cannot vote. It is very seldom that

we vote in committees; it is only on very special occasions. Therefore, I suggest that the notices of the meetings of the committees be sent to all senators—not only to those who are members of the committees, but to all senators—so that all those who are interested in what may be dealt with by a given committee can attend, whether they are members of that committee or not.

If that were done, more senators could attend on occasion. They would be warned in advance. The notices given in our Order Paper very often come too late for senators to know when a committee is meeting and what is to be dealt with.

Furthermore, both sides could judge, by the attendance of non-members, who should be a committee member, and which members appear not to be interested.

Hon. Mr. Croll: Honourable senators, I am opposed to the motion. It may have to be adopted on division. As to the report, I think part of it is unduly contrived and balanced in a way that is detrimental to the public. On another occasion, I shall have something to say about that, but for the moment, if the motion is adopted, it will be on division.

Hon. Mr. Molgat: Honourable senators, I thank those honourable senators who participated in the debate. I am not quite sure what Senator Croll means by "unduly contrived." I can assure you that as to any portion I had to do with, or that anyone I know of had to do with, there was no contriving.

The Senate decided last year to reduce the number of members on standing committees from 30 to 20. And there being a large number of new senators, it was obviously impossible to satisfy all senators on this occasion in so far as the selection of committees was concerned. It is an unfortunate situation which I happen to have inherited, but on which the Senate has made its decision. I think the suggestion made by Senator Flynn regarding notice to all members of the Senate is good. I will check with the Committees Branch to see if it presents any difficulties. I think that reminding all senators that they can attend whatever committees they wish is a wise thing.

• (1800)

The Hon. the Speaker: It is moved by Honourable Senator Molgat, seconded by Honourable Senator Smith, that this report be now adopted. Is it your pleasure, honourable senators, to adopt the motion?

Report adopted, on division.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Gildas L. Molgat 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, Bélisle, Cameron, Choquette, Côté, Fournier (De Lanaudière), Fournier (Madawaska-Restigouche), Gouin, Heath, Hicks, Kinnear, Lapointe, McIlraith, O'Leary, Quart and Yuzyk, have been appointed a Committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as Members of a Joint Committee of both Houses on the said Library.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Gildas L. Molgat 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, Bonnell, Bourque, Duggan, Fournier (Restigouche-Gloucester), Gouin, Greene, Haig, Heath, Isnor, Macdonald, McGrand, Michaud, Neiman, O'Leary 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. Gildas L. Molgat 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 Heath, Inman, Langlois, Macdonald, Norrie and Welch, 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. Gildas L. Molgat 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, Goldenberg, Lafond, Neiman, Rowe, Thompson and Walker, have been appointed to act on behalf of the Senate on the Joint Committee of both Houses on Regulations and other Statutory Instruments.

Motion agreed to.

STANDING COMMITTEES

NOTICE OF MEETINGS

Hon. Mr. Flynn: Honourable senators, I am not sure if this is the proper time but, with leave, I should like to ask Senator Molgat to indicate which committees will meet tomorrow for organizational purposes. Will there be just the four that he mentioned? I take it that with respect to the other committees, organizational meetings will take place on another occasion?

Hon. Mr. Martin: So that they will not be too crowded.

Hon. Mr. Flynn: Yes, and to avoid overlapping.

Hon. Mr. Molgat: On that point, honourable senators, the Committees Branch will be sending out notices to all members of the Senate advising that tomorrow morning the Standing Senate Committee on Legal and Constitutional Affairs will be meeting at 10 o'clock; the Standing Senate Committee on Banking, Trade and Commerce will be meeting at 10.30; the Standing Senate Committee on National Finance will be meeting at 11 o'clock; and the Standing Senate Committee on Agriculture will be meeting at 11.30. These meetings will be purely organizational, for the purposes of selecting chairmen and determining the course of action from that point on.

Hon. Mr. Connolly (Ottawa West): Where will the meetings be held?

Hon. Mr. Molgat: I believe they will be held in Room 256-S.

LABOUR RELATIONS

DISRUPTIONS IN MAIL SERVICES—STRIKE OF ELEVATOR TECHNICIANS—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, there are some questions on the Order Paper for tomorrow under Inquiries. They were asked by Senator Cameron yesterday, and as I cannot be here tomorrow I wonder if I could provide the answers now.

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

Hon. Senators: Agreed.

Hon. Mr. Martin: The questions are:

1. (1) In view of the continuing irresponsible disruption of the mail service of this country by postal workers, does the government plan to take disciplinary action against those causing the disruption?

(2) What penalties, if any, are charged against wildcat strikers? Do they lose pay for the days they are off? Are any other disciplinary measures taken such as fines and/or discharge?

(3) When postal or other employees engage in wildcat strikes can they:

(a) draw unemployment insurance, and

(b) if so, under what terms or conditions?

(4) What plans, if any, has the government in mind to bring an end to the chaotic situation in the postal service, such as:

(a) making it a crown corporation, or

(b) turning the service over to a private corporation under contract.

(5) Has the government any plans to remove labour negotiations from the Treasury Board?

(6) Has the government given consideration to setting up an independent, non-governmental bargaining agency for employees in the Public Service?

2. In view of the fact that the strike of the elevator technicians has been in progress for some 22 weeks with no sign of a settlement, and because their disruption of service has already cost hundreds of thousands of dollars plus untold inconvenience to elderly people, does the government contemplate any action to bring this inexcusable disruption of service and business to an early conclusion?

The answers are as follows:

1. (1) Where the disruption of mail service is caused by employees in violation of the collective agreement, disciplinary action is taken by the employer.

(2) Where unlawful strikes occur, the employees who participate are not paid for their periods of absence from work and disciplinary action is taken by the employer. I would like, however, to distinguish between a lawful strike and an unlawful one, and in this context I should point out that employees of the Postal Operations group have been in a lawful strike position since December 21, 1972.

(3) Employees who engage in wildcat strikes, which I take to mean unlawful strikes, are not eligible for unemployment insurance benefits.

(4) (a) Detailed studies were conducted leading to Consultants' recommendations that the Post Office be established as a Crown Corporation. These recommendations have been delivered to government for consideration.

(b) The government has no plans to turn the postal service over to a private corporation under contract. As the postal service operates at a deficit there is no attraction to a private corporation to undertake its service especially on a nationwide basis as is required of the Post Office Department. Furthermore, there is no assurance that a private corporation could avoid service problems through work disruption.

(5) Under the Public Service Staff Relations Act the Treasury Board represents the government as employer and, therefore, the responsibility for collective bargaining belongs with Treasury Board. The honourable senator is no doubt aware that the Post Office Department has on this occasion negotiated on behalf of the Treasury Board with the Council of Postal Unions.

(6) No.

2. The construction industry and the manufacture of elevators are operations within the constitutional jurisdiction of the ten provincial authorities. Our concern has been made known to officials of provincial Departments of Labour and mediation meetings have been held in Ontario and are planned in Quebec.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. Gildas L. Molgat moved pursuant to notice:

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

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, January 25, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Gildas L. Molgat tabled:

Copy of a Report, dated December 29, 1972, from the Hearing Officer (J. W. Swackhamer, Esq.), pursuant to section 8(4)(d) of the Expropriation Act, chapter 16 (1st Supplement), R.S.C., 1970, and Appendix thereto, with respect to the location of an international airport at Pickering, Ontario.

Copies of Communiqué, dated January 23, 1973, issued following the Federal-Provincial Conference on Housing held at Ottawa, January 22-23, 1973.

LEGAL AND CONSTITUTIONAL AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

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

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO EXAMINE AND REPORT ON THE PAROLE SYSTEM IN CANADA

Hon. H. Carl Goldenberg: Honourable senators, I give notice that on Tuesday next, January 30, I will move:

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

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

That the papers and evidence received and taken on the subject in the third and fourth sessions of the 28th Parliament be referred to the Committee.

Hon. Mr. Flynn: May I ask the honourable senator, if the Senate should adjourn until February 6, can this wait, in view of the fact that you mentioned next Tuesday?

Hon. Mr. Goldenberg: Did Senator Flynn put that question to me?

Hon. Mr. Flynn: Since you indicated that you intend to give notice on Tuesday next, can it wait until the following Tuesday, because rumour is that we will adjourn to February 6?

Hon. Mr. Goldenberg: My committee does not pay any attention to rumours.

Hon. Mr. Flynn: You will come to pay some attention to them.

Hon. Mr. Phillips: They are the most reliable source of information.

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (A) REFERRED TO NATIONAL FINANCE COMMITTEE

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(e), moved:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the supplementary estimates (A) laid before Parliament for the fiscal year ending the 31st March 1973, tabled in the Senate on Tuesday, 9th January 1973.

Hon. Douglas D. Everett: Honourable senators, it would be my intention, since this motion has now received leave, to call the committee together to examine supplementary estimates (A) on Tuesday, February 6, at 2 p.m., unless the Senate sits at an earlier date, in which case it would be my intention to call the committee on that earlier date, if it were possible to have the witnesses attend.

Hon. Mr. Flynn: As long as it does not conflict with the motion of Senator Goldenberg.

Motion agreed to.

ADJOURNMENT

Hon. Gildas L. Molgat: Honourable senators, with leave of the Senate, and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, February 6, 1973, at 8 o'clock in the evening.

Honourable senators, rumours notwithstanding, the course of business is not too clear in the immediate next few days.

Hon. Mr. Flynn: That is not new.

Hon. Mr. Molgat: The estimates are presently under consideration in the other place. There is also a bill on unemployment insurance before the other place. Both these measures are of some urgency, but we do not know when the other place will have completed its work. I am sure that it is the desire of honourable senators to be ready to receive this legislation as soon as it is passed by the House of Commons. When the legislation is available we want to be in a position to notify all honourable senators and call the Senate back, possibly next Thursday or Friday. It may not be possible until the following Monday,

but in any case I hope we will be able to deal with the legislation as soon as it is received here.

Hon. Mr. Flynn: Do you mean Monday, February 5?

Hon. Mr. Molgat: That is right. I do not foresee that we would have any business on Monday or Tuesday of next week. Presumably we could on Thursday or Friday or the following Monday.

Motion agreed to.

[*Translation*]

HON. PAUL MARTIN, P.C.

ABSENCE OF GOVERNMENT LEADER—INQUIRY

Hon. Mr. Flynn: May I put a question to the interim government leader concerning the absence of the government leader? We are all concerned at his absence today and are proceeding with business while remembering Lamartine's lines:

Un seul être nous manque et tout est dépeuplé.

Where is Senator Martin?

Hon. Mr. Molgat: Honourable senators, I am pleased to see that Senator Flynn is not only a talented politician, but also a poet. I must inform honourable senators that Senator Martin, the government leader in the Senate, is away on government business. He is travelling on behalf of the government in Africa. He is not there on holiday. He will, we hope, be back Monday or Tuesday, i.e., February 5 or 6. I am sure he will read with great pleasure what my honourable colleague said about him and how much he misses his presence.

[*English*]

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 Hicks, seconded by Senator Lafond, for an Address in reply thereto.

Hon. Arthur Laing: Honourable senators, I have noticed that all senators who have spoken in this debate have directed their first attention toward our presiding officer, and I am going to make no exception.

In the range of tributes paid you, Madam Speaker, I am reminded of Fulke the bible maker who in 1598 presented a bible to his Queen, Elizabeth I, in which he attributed to her "all princely ornaments not less but even greater than all your noble progenitors."

I have an idea that the Prime Minister, in appointing our presiding officer and conferring this honour upon her, will in the future prove to have done honour also to this institution.

Hon. Senators: Hear, hear.

Hon. Mr. Laing: I want to take this opportunity of extending to my fellow senators my gratitude for the uncommon amount of kindliness and assistance given me since I experienced the metamorphosis from the other place. I hope in the time that I might be here to make a contribution to this place and to the policies which I hope the government, and succeeding governments, will adopt in Canada's interest.

I want to compliment the mover and the seconder, and, indeed, all those participants in the debate. I do this not in any mechanical manner, because I consider the standard of debate to have been exceedingly high.

Honourable senators, it would have been my preference to have deferred speaking in this chamber until I had come to know better both you and the rules which exist in this place. However, extremely significant adjustments in the field of energy supply have emerged at exactly the same time as the Government of Canada has indicated its intention of paying special attention to Western Canada and the Canadian North. Western Canada and the Canadian North live by development of their resources. It adds nothing to the ease of governing this nation to find that the chief resources of soil, water, forest, mineral, and sometimes petroleum lie largely west of Winnipeg and in the Canadian Arctic. This characteristic will multiply its evidence in the years immediately ahead, and likewise multiply our profits.

• (1410)

It is a tragedy that those who live by resources are charged with being hewers of wood and drawers of water. There are some today who say that being a hewer of wood and drawer of water is not bad when you are the highest paid people in the country. Generally, however, it can be accepted that a man's prosperity depends upon the land on which he stands. It has been the history of all resource-rich nations that until they develop a consuming population at home, they market resources in primary state. It alarms me that those who extract our minerals are today subjected to ignorant and even vicious attacks as creators of ugly holes in the ground, who, when the ore is exhausted, dismiss their employees to be thrown on the public welfare roles. This kind of talk does enormous disservice to our nation.

Of all our competences, Canadians are the most proficient miners in the world. The mining schools of our universities and of the federal and provincial departments of mines are recognized the world over. In 1972 our production of minerals reached $6.3 billion, or 12 per cent of our gross national product, almost 80 per cent of which was exported. Remarkable new technologies, many developed in Canada, are bringing into production low grade and complex ores. The illimitable intelligence of man is turning hitherto useless rock into metal for the world's needs.

In British Columbia we are recovering copper held in rock at eight pounds per ton. We have one property out there now mining 37,000 tons of ore a day, and several more in the 25,000 to 30,000 ton-a-day range. Instead of uninformed criticism, these engineers and technologists should have special honour set aside for them. Time was when the Canadian railroaders provided the imagination and courage to develop this nation. Their great record of providing the true Canadian character is today supplied by the mine finder, the mining engineer and the metallurgist. Those reputed ugly holes and piles of waste are quite within the possibility of reseeding and replacement.

Mining is moving west. Twenty-five years ago in British Columbia our production was $60 million. In 1972 it was

$520 million. In 1972 Alberta for the first time overtook Ontario, with production exceeding $2 billion. Both Saskatchewan and Manitoba are advancing rapidly.

In some cases one man is in charge of machinery that costs a quarter of a million dollars. They say mining is of no value because it employs no men. You might as well argue that to operate an airline is of no value because it requires only a pilot and a crew of seven. The mining industry today uses a wide range of services. Every yellow page in the telephone book is used by the mining companies, and there are tens of thousands of people behind the man who is out there on the machine—this applies to the mining industry just as much as it does to the aviation industry.

Not too long ago I saw a monstrous machine in one of our mines in British Columbia. It cost $257,000, and one man was in charge of it. I looked in the belly of the machine and I found four diesel engines. Two of them were built in Italy and two came from the outskirts of Glasgow, Scotland. This machinery is not built in one plant; it is assembled. Today we are importing into this country about $800 million worth a year of this kind of machinery, which I think today Canadians have the competence to assemble here.

As to the potash mines in Saskatchewan, if they were near salt water there would not be another potash mine operating in the world. But they have to pay $8 a ton freight to salt water. There is a new machine out there with an extensible belt. It was designed by Canadians but built in the United States at a cost of $2½ million. It was put down the shaft and assembled there. That one machine, operated by three men, has a record of 11,500 tons of potash brought to the surface in 24 hours. I think we could build this machine in Canada, and with some assistance from the Department of Energy, Mines and Resources we could bring the firms together who are competent to do this within Canada.

Canada today is the world's largest producer of asbestos, zinc, nickel and silver. We are number two for potash, molybdenum, gypsum, uranium and sulphur. Our mines produce more than $300 annually per capita of our population.

Our Western strength is under attack from the environmentalists, and important economists who have coined a phrase, just as simple as their thinking, "leave it in the ground."

The cause of the ecologists is noble and good, but I want to warn them that at present they are in great danger of self-destruction through emotion and excessive language. The first who must "come clean" are the environmentalists themselves. They must compose their thinking between the standards involved in their dreams, a continuation of those comforts and amenities we all enjoy, and the alternative, invasion of all their private rights.

They talk about sweeping tankers off the seas. Do you know that today 52 per cent of all the tonnage afloat is tankers? And that with the new L.N.G. ships now under construction, by 1980 that tonnage will exceed 60 per cent. Verily, indeed, the world in which we now live runs on oil. The "leave it in the ground" school has another counsel to give the Canadian public. They tell us that if massive sums of money of this nature are required to build northern pipelines, and if these sums are acquired outside the country, it will lead us to financial bankruptcy. Honourable senators, I always thought it was the poor nations and not the rich nations that had financial difficulties. Let me say only this: if we cannot finance utilities, which are a sure thing, within our own borders for our own internal growth and for our external markets as well, then the first priority of the nation must be the restructuring of our banking and financial institutions.

The exploding productivity of our western mines is now accompanied by a redoubled effort at exploration in the field of energy sources.

Because of the enormous consumption of energy in the United States, coinciding with the rising tide of nationalism in the OPEC nations, our great neighbour is threatened with industrial dislocations of staggering magnitude. It was only natural that United States users and legislators should look to Canada. Energy and security are indivisible, and land connection and political stability become attractive.

We have American legislators talking again of "continental resources." In 1964 a very reputable American firm of engineers produced what they called a conception of a 900-mile lake of water in our Rocky Mountain trench to provide electric power, urban water supply and irrigation to the entire continent. It was not an insane dream. If one man owned the continent, he would probably establish 900 miles of water at an elevation of 2,400 feet. But one man does not own the continent, and it is our interest to see that he does not. At that time I had been invited to Portland, Oregon, for a resource conference, and I felt required to make some comment. What I said then was this:

• (1420)

> There are no such things as continental resources. This water is ours and it will be our purpose to do with it what we consider to be in our national interest. It will be soon enough to talk of continental resources when United States markets become continental markets; when United States capital becomes continental capital and when United States technology becomes continental technology.

When I quote myself I am reminded of my late, great friend, the Right Honourable Ian Mackenzie, who in the other place on one occasion was quoting interminably from a document, with the inevitable result that someone on the Opposition side got up and said, "From what is the right honourable gentleman quoting?" To which he replied, "I'm quoting myself!" And in respect of this matter I will continue to quote myself in Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Flynn: That is the best authority.

Hon. Mr. Bourget: It is the B.C. method.

Hon. Mr. Laing: This statement was made by me at that time because I thought then as I think now, that within 50 years fresh, clean water will be the world's greatest attractant for both industry and new population. Canadians should know that at the present time we have 35 per cent of all the fresh, clean water in the world.

No Canadian is a greater admirer of the U.S. nation and its people than I. They remain our nearest, best, our most indispensable friend and ally. The postwar policy from the Marshall Plan down to the present has been a hallmark of generosity and goodwill, the latter occasionally misplaced. My wish now is that our American friends would think of Canada at times other than when their lands are parched and their lights begin to go out. It is less than two years since we were asked to accept a voluntary quota on oil of 395,000 barrels a day. Now we are giving them 750,000 barrels a day, and there is pressure to remove all quotas on Canadian oil.

The potential Canadian energy resource base is very large, and this base extends to all forms of energy. In hydroelectric sources we have enjoyed since 1945 an average growth rate of over 6 per cent. By 1990 it is estimated that 20 per cent of our primary energy will still be supplied by falling water.

We have long known of our coal reserves. Now we know of the presence of not less than 118 billion tons in the three most westerly provinces alone. Yet we have cries going up about the exports of 9 million tons of coal annually. But do you realize that at that rate our exports are good for 13,000 years?

Our reserves of uranium oxide are some 230,000 tons, with an assumed price of $10 per pound. If you extend those figures you will see that there is a value there of $46 billion. Some technological difficulties at the defensive tactics of ecologists may prevent atomic energy from occupying more than 14 per cent of Canada's power field by 1990.

The Canadian Petroleum Association estimates there is a potential for no less than 725 trillion feet of natural gas in Canada. They tell us the Western Canada sedimentary basin contains 270 trillion feet—the same potential is attributed to the Arctic Islands, and a further 150 trillion cubic feet are thought to lie under our Atlantic shores.

I recall the enthusiastic announcement of the late, great C. D. Howe in 1950 that it was evident we now possessed two trillion feet of natural gas under the Western plains, and he hoped this was an augury for a great future. Now having consumed and exported vast quantities across the years to the present where annually we extract two trillion feet, we now have firm reserves of 57 trillion feet.

If we err on the side of the conservative figures I have indicated, it would be in the Arctic islands. In late March last year as a guest of Panarctic Oils, I visited at latitude 80 degrees, over 2,000 miles north of here, a well with an open flow of 180 million cubic feet daily. If that well were in Southern Alberta, it would give us a production value of $16 million. There are comparable wells 900 miles apart. The entire Arctic basin appears to be a great storeroom of gas and, hopefully, oil reserves.

So they say its in the wrong place! Honourable senators, until the railways came to Canada everything in this nation was in the wrong place. Canada's story is the story of the task of getting people and things from hence to thence. That has always been our story and still is. The new vehicles of transport and new techniques lie immediately ahead of us. These great reserves of energy will be marketed. Proposals are afoot for an oil pipeline across our northern territories to carry Prudhoe Bay as well as Canadian oil; in other words, to combine production from Prudhoe Bay with the new considerable finds of oil in our Mackenzie Delta. There will soon be a proposal for a gas pipeline from Prudhoe Bay but also to carry Canadian gas. The oil companies have already spent $40 million on these studies including protection of the environment and our federal government is in the process of spending $16 million more. The Government of Canada should say now that, subject to our conditions, these applications will receive enthusiastic approval of the Government of Canada. The conditions are:

1. Environmental protective provisions must be satisfactory; this is simple, as a pipeline requires for servicing a right-of-way only 100 feet in width.

2. The pipelines crossing Canada must be common carriers.

3. Equity control of such pipelines must be retained in Canadian hands.

So much of Canadian resource industry is presently owned abroad that even some Canadians despair of insisting upon Canadian ownership of facilities involving such immense capital. Honourable senators, they are not aware of the nature of the demand for this energy south of the border. Yes, I admit export is imperative because when we talk of investments of $5 billion, an export component is necessary.

Demand is so intense that even today $140 million of exploration funds from the United States have been advanced to exploration companies on the sole condition that the financing company has first call on 50 per cent of all finds, at a price to be then determined. When our neighbours will put up this kind of risk money for prospective gas there is no question of ample debenture money for a bird in the hand. More importantly, what a tribute these people are paying to the richness of our fields!

We and the Soviet Union together occupy 90 per cent of the Arctic region. The first president of the Russian Academy said 206 years ago, "The might of Russia will rise out of the resources of Siberia." I believe our territories north of the 60th parallel will give us in resource values 50 per cent of all the mineral and petroleum values in the nation.

The Yukon and Northwest Territories comprise 1,500,000 square miles, or almost 40 per cent of the land mass of Canada. A week ago last Sunday I saw on television an ecologist who said we must insist that the Arctic be kept as a playground. If you put a line up the centre of Canada you will find that the Arctic population is made up of one person per 178 square miles. Enormous changes are taking place there. The greatest improvement came from jet plane service as far north as the Arctic Islands. We owe a great debt to the airlines providing these services, two from Western Canada and one from Quebec. Historically workers went north to make a stake and get out. Now families intend to stay and raise their families as northerners with, in the centres, educational and health facilities equal to those in the large centres of Southern Canada. We are engaged in an evolving system of government in the territories. We have commissioners in the

Territories answerable to the Minister of Northern Affairs—Commissioner Smith in the Yukon and Commissioner Hodgson in the Northwest Territories. Both are magnificent men rendering great service to Canada—they had to be good men because I appointed them—and they are supported by councils, one wholly elective in the Yukon and the other soon to become wholly elective in the Northwest Territories. When a man works, pays taxes, and intends to raise his family in an area, he wants to have what he calls "government on the ground." Because the North has suddenly become exciting, there is a tendency for departments in Ottawa to inject themselves into northern matters, most of them with no experience. Northern administration from Ottawa should reside in the Department of Northern Affairs entirely and that department should transfer its functions as quickly as possible to the territorial administration and as soon as the local northern administrations can demonstrate competence. Resource development and control must remain in Ottawa because assistances will be required that only the national government can supply.

In the area of oil, the Canadian Petroleum Association tells us that conventional oil reserves are 120 billion barrels, of which they estimate 50 billion will be recovered from the western sedimentary basin, including the Mackenzie Delta, 40 billion from the Arctic islands and some 30 billion in the offshore east. Then we have in excess of 300 billion barrels in the Athabaska Oil Sands of Alberta where in a battle against abrasive, magnificent technology is now bringing sands oil within 25 cents per barrel of conventional well costs.

• (1430)

The fact is that on this continent we have maligned the energy developer and underpriced his product. Our Constitution, probably with more wisdom than was realized at the time, provided for federal export permits of energy. On the other hand, these resource energies and their development rests within the jurisdiction of the provinces where they lie.

The President of the United States has indicated an early statement on the energy situation in his country. It is almost certain that a massive return to the use of coal and steeply accelerated search for new energy sources will be incorporated in the plan.

There is little likelihood that over an extensive period of time this world will experience scarcity in any commodity. Much of the current legislation of governments is directed to what is termed "orderly marketing" by restricting production. The scientist will soon find ample quantities of new kinds of energy with fusion power whose raw material is sea water, making life easier than ever in the twenty-first century.

But in the short run, heavy weather lies ahead on this continent with radical increases in energy costs. In the United States an almost immediate increase of 25 cents per million B.T.U.s is indicated—this translates to $1.56 per barrel of oil. For the chemical industry alone there will be an added annual cost of some $17 billion. By 1980 it is estimated imported energy will cost the U.S. $30 billion annually. Export markets are available today by new contracts at prices far above current domestic prices. This interesting situation has not gone unnoticed by the people and the Government of Alberta from whom we derive today 92 per cent of our domestic petroleum and gas.

Because of our divided authority on energy problems, and because in the East we import almost exactly as much oil as we export in the West, we must have a national objective. Throughout the years we have been magnificently served by our National Energy Board. Its constant review of reserves has assured us of an adequate future supply for all prospective contingencies of Canadian industrial growth in the areas that can be economically served by western production. It has assured the security of our eastern imports. The first imperative now is a policy that will encourage early prove-up of the extremely promising prospective resources on the Atlantic banks and the Eastern Arctic.

Alberta, and its clever government, wants in the domestic market what its gas and oil will bring in our big adjacent foreign market. I think this is an ambition that cannot be denied. Our projected marketings to Central Canada forward to 1990, an increase of only 10 cents per 1,000 cubic feet, means an added cost to them of almost $5 billion.

I read a short editorial in the Ottawa *Citizen* last night. It was as simple as the fellow who must have written it. The import was that Western Canada cannot do that to us or we will have them in court. As a Westerner, I want to tell that newspaper and all honourable senators that it is that kind of simple indifference to Western Canada that Western Canadians do not like and will not stand for in the future.

Some Hon. Senators: Hear, hear.

Hon. Mr. Laing: Western Canada and the Canadian North, by the bounty of their resources, hold the key to Canada's future. The very nature of our resource industry has provided us with the most competent and highly productive labour force in the nation without question.

We speak of an energy policy for Canada. The Government of Canada has an energy policy upon which improvement would be difficult. It is to assure an ample supply of resources within our boundaries to take care of the needs of all prospective industry and households in the future and thereafter to export surplus at the highest price our energy will command.

That is our policy and I hope it continues to be our policy.

Honourable senators, since I have been in this chamber I have heard a number of excellent speeches dealing with important matters, some of them calling for the expenditure of additional huge sums of money, others dealing with matters of the heart. Someone once said that a statesman should have his heart in his head. I think it was Napoleon who said this, and had he taken his own advice he might have lasted a little longer. I think it is only fair to tell you that I am from an area where some matters which are of deepest concern to most Canadians are not of concern to us. They are important to this part of Canada and to some other parts, that is recognized. However, we in the west have other preoccupations. There is a tremendous drive, tremendous energy, and tremendous competence in Western Canada today. We are building icebreakers for eastern harbours. Do you know that Vancou-

ver handles more freight than Montreal, Quebec City, Halifax and Saint John combined? Then there are other outlets such as the North Fraser Harbour, with its 16 million tons, and the Fraser River Harbour, and Squamish, all within an area of 30 miles of Vancouver. They carry more salt water tonnage than the rest of Canada together. There are immense projects going on in Western Canada today. We are on the Pacific Ocean which is the ocean of the future.

I have endeavoured to give you some of the ambitions and hopes of Western Canada. I think it is important that we are making contributions, and some out of our own pockets, to other parts of Canada. I do not think it is given to a man in one part of Canada to tell a man in another part of Canada that he is making his living in a wrong manner, especially when one or two of those fellows reside in provinces which have their hands in our pockets. These are the considerations, the thoughts and feelings of Western Canada. I have tried to bring them before this chamber today in the hope that they will be recorded, and that it will give you some idea of our concerns, our immense hope, our unlimited ambition, and the fantastic resources that are ours in that area.

• (1440)

Hon. Allister Grosart: Honourable senators, as probably the last speaker on the motion from this group I may perhaps be permitted to agree immediately with Senator Laing's statement, that this has been an excellent, interesting and, for me, very informative debate. I have not agreed with everything that has been said on either side but I must say that it has been my impression that important things have been said in this debate in an important way by all previous speakers. I refer particularly, of course, to the mover and the seconder of the motion. They set a very high standard in introducing the motion, which has been followed particularly, if I may say so, by some of our newest senators, who have given clear evidence that they will be heard as well as seen in this chamber.

We have been told over and over again that the document to which the motion invites response has something for everyone, and those multitudinous "somethings" have been gone over many times by previous speakers, constituting a challenge to a latecomer to the debate to say anything novel at this stage. I am fully aware of Shakespeare's warning about wasteful and ridiculous excess in gilding refined gold or painting the lily. Nevertheless, if I may, I will paint at least one lily in my opening remarks and, perhaps, gild a few bits of refined gold.

In looking over the speeches I was struck by the fact that I was able to count 22 admiring adjectives directed to the person and career of Senator Fergusson, our new Speaker. After some thought I thought of the twenty-third, which would be rather personal and certainly extravagant. I will not embarrass her by suggesting it at this time. It will, perhaps, be enough to say that in the 10 years I have been here I cannot think of anything better that has happened in the Senate or to the Senate than the appointment of Senator Fergusson to this high honour. I may add that her appointment is a very fitting reward for many years of outstanding service in the chamber and its committees and, if I may make a personal observation on which I have considerable knowledge, her outstanding contribution as a representative of Canada internationally in many countries of the world.

I am sorry that the Leader of the Government is not here, because it is my intention to pay my respects to him at this time. I have not always agreed with him, but I think it is important that we say more often perhaps than we do that we know that the Leader of the Government has at all times the interests of this chamber at heart, that in spite of what may appear, and what certainly are, at times conflicts of interest in his responsibilities, he has devoted himself in an outstanding way to reviving and restoring the prestige of the Senate.

I am sorry that my own leader has left. He has another engagement, so I do not think he has run away from the compliment I wish to pay him. Perhaps honourable senators are not all aware of the fact that in our group we exercise the right in each new Parliament of electing our leader. Senator Flynn has fought some hard and some easy campaigns in his career, but I can assure you that the easiest election he ever had was when we met recently to renew our confidence in him. We on this side are proud to serve with him, and I think all honourable senators will agree that his courage, his ability, and the agility of his mind make a necessary contribution to any democratic institution like this, where a forceful Opposition is essential to the proper conduct of our business.

I am glad to see that Senator Deschatelets is here. He was a very distinguished Speaker for a number of years. What pleases me most perhaps is the fact that after presiding over our affairs impartially and efficiently for those years, when he came to give us a verdict on the game he decided to take his seat on this, rather than on the other, side of the house.

Hon. Mr. Cook: He is so generous.

Hon. Mr. Grosart: I come now, honourable senators, to the Speech from the Throne. It begins well, I think, with the reference to the Queen, which we appreciate both for itself and, perhaps, as an indication that the government today is taking a new look at our institutions and has decided that the institution of the Queen in Parliament may in many respects have some decided advantages over the presidential and other systems, to which some members at least of that government have seemed to lean for some time.

There is a reference immediately to the Commonwealth. The speech refers to the fact that the Queen and the Duke of Edinburgh will be present in Ottawa for the meeting of the heads of the Commonwealth countries. The speech then tells us that the government, which will be host for the first time of these periodic meetings, attaches much importance to the Commonwealth and its common traditions, institutions and language. Perhaps as chairman of the Canadian branch of the Commonwealth Parliamentary Association I may be permitted to say that this is a very welcome statement by the government, and one which has been previously made by the Prime Minister, who has given unfailing support to the Commonwealth Parliamentary Association and to Commonwealth affairs.

The speech then, of course, deals with our foreign relations. I regret very much that the government, at such an important time in international affairs, has decided to

devote so little in this Speech to that important subject. It is dealt with, and almost brushed off in two or three paragraphs. There is a reference to the Conference on Security and Co-operation in Europe, the Strategic Arms Limitation Talks, the talks on Mutual and Balanced Force Reductions, the International Monetary System, GATT, and then to our new situation in relation to the European Economic Community and our relations with the United States, all in about three paragraphs.

• (1450)

The inadequacy of the extent of our relations with the European Community, to me, is most unsatisfactory. We are told that we have appointed at long last an ambassador. But there is no reference to the failure of government policy in respect to the problems of the European Common Market; no reference to our failure to obtain access to any part of that market; no reference to the fact that at the moment we have no policy whatsoever with regard to association with that market; no reference whatsoever to the fact that the essential problem is that Canada is one of the few industrial countries left in the world which does not have access to a market of at least 100 million people.

This is one of the most serious problems facing us as a nation. I find nothing in the Speech from the Throne that recognizes the seriousness and importance of this problem, or suggests that the government has any policy in this respect.

We hear often of the nine nations. Honourable senators, let us never forget that the EEC is a community of 50 nations. They are not only European nations. They are African nations, Asian nations, all of whom have preferential access of one kind or another to that market.

We have no such preferential access, and we have no indication from the government that there is any policy of seeking preferential access or close association, other than the appointment of an ambassador, after the complete failure of negotiations to obtain high-level relations at the ministerial level.

Again, it is almost unbelievable that the Speech from the Throne, at this time in our history, should brush off the problem of our relations with the United States as casually as is done here. This is the reference:

> The Government will continue its discussions with the United States to settle certain difficulties that have arisen in our trading arrangements with that country, and to maintain and expand our trading opportunities there.

That seems to me to be the political understatement of the year. One would hope that there may be a policy in the offing of returning to that "quiet diplomacy" which for so many years kept our relations with our great neighbour on an even and viable basis, and an end to the policy of headline hunting, baiting the United States in headlines, and making statements that cannot possibly be conducive to amicable and friendly relations in the future. On other occasions I have indicated the areas in which we have deliberately baited the United States. We have taken unilateral action without consultation, which has annoyed them.

Whatever we may think of our place in the world, we should not forget that the United States is our best customer, and that it is bad business at any time to annoy and alienate one's best customer.

The Speech then deals with domestic matters. The list is long. The list is so long that almost every speaker has found something that he likes, something on which he can comment favourably. But if honourable senators examine the list, they will find the amazing thing is that many items are normal, natural developments of existing policies.

Under unemployment, for example, we are told the government is taking some measures. It lists them and says:

> These measures have been announced and are already taking effect.

Then there is another reference:

> The second part consists of measures that will add to the fundamental strength of the economy, can be acted upon this session and can be expected to have effect with a minimum of delay:

Every single item, and there are many of them, is already in effect. Perhaps I might just indicate what they are.

Income tax measures: we already have them in effect partially, although we are in an extraordinary position. I am told that for the first time in our history an election occurred between the introduction of the budget and the implementation of the budget measures. The budget was introduced on May 8, it did not reach the House of Commons until June 26, and the house rose on June 30. I have heard it said by ministers that the reason why the budget measures were not implemented was Opposition obstructionism. The fact of the matter is, they were never brought before the house, and have not been brought before the house yet.

There is to be an extension of GATT and a revision of the General Adjustment Assistance Plan. That has been in effect for several years, and has been extended before.

There is to be an extension of the Industrial Development Bank. That has been extended almost every year since it has been in operation.

There is going to be help for the tourist industry, but we have provided help for the tourist industry every year.

There is going to be assistance for co-operative movements. We have had that for a long time.

We are going to have improvements to the Canada Corporations Act. That has been on the books for as long as I have been here.

Most extraordinary, there is to be a special measure. Believe it or not, the government is going to meet with the provinces. This is listed as "unique" government initiative in dealing with unemployment.

I am not saying that there is nothing in the Speech that is important or useful. Of course there is, but where I am critical about this Speech is in the attempt that is made to cover the whole waterfront. That, of course, is why it has so often been referred to as a window-dressing Speech. I have to admit that there are goods in the window and there are goods in the shop behind it, but the concern I have is whether those goods will ever be sold, and particu-

larly whether the management of the business will still be in the shop.

I have tried to catch the tone of the whole Speech. After reading it several times, it suddenly occurred to me that it is exactly like an NDP manifesto, exactly like an NDP election platform statement. I began to wonder why. Then it occurred to me that the distinctive feature of the NDP, in any election manifesto, is that they put into it whatever they like knowing they are never going to be required to implement the promises. They are never going to be in office, and so they can promise the moon. There is something of that kind of thing in the structure of this Speech. Perhaps they are saying, "We can put anything we like in because we are not going to be here long enough that we are going to be taken to task for not carrying out our promises."

Summarizing my general view, I can do no better than quote the *Financial Times*, which is not an anti-government paper, of January 8. Of the Speech, it says:

> It was all very baffling for the serious citizen, because in fact the Speech gave very little indication of what the government proposes to do about anything. Any resemblance between what the Governor-General was instructed to say on Jan. 4 and what the government may subsequently do will be largely coincidental.

It goes on to say:

> Apart from the new designs which depend on federal-provincial agreements, the government's specific promises fall into two classes. Some are strictly nothings; others may or may not amount to something. In many cases, the government itself probably does not yet know which is which.

• (1500)

Perhaps my criticisms may have been directed too harshly at those who had the problem of structuring this document. It was a difficult situation, but I do not think it was as necessary, as the document indicates, to put so much emphasis on either the confessional or the concessional aspects. The confessions of past failures directed to the public that the principles and policies which had been announced, and which were to be followed if the government had been returned with a majority, were not now to be followed. Of course, as Senator Forsey said the other evening, the government has every right to make concessions that will ensure support from a third or fourth party in the House of Commons. That, of course, is true, but the essential question on which the government's decision in that matter must be judged is whether it involved a departure from principles or policies formerly enunciated. It is quite clear that there has been, and is in this document, clear evidence of departure from principles. Those have been noted many times in the press.

Let me sum up the areas in which I find great disappointment in this Speech. I would say there are three. The first is the failure of the government to face up to the economic realities of the moment. The second is these concessions on elements of policy. And the third is that of very clear omissions. Perhaps I may indicate a few examples.

The matter of unemployment—

[Hon. Mr. Grosart.]

Hon. Mr. Buckwold: I wonder whether the honourable senator would permit me a question? I have been listening to the contribution by the honourable senator, and I am interested in his comment—and I will come to my question in a moment—that every single action of the government, as outlined in the Speech from the Throne, is really a follow-up of an existing program. That is as close as I can get to an exact quote. I am sure *Hansard* will have that in detail. Now, referring back to a speech that we heard yesterday from our—

Hon. Mr. Grosart: I rise on a point of order. Could I have the question? I think the senator is quite out of order in making a speech at this time. I am quite prepared to answer the question.

Hon. Mr. Buckwold: I am merely commenting on what you said, and then relating it to what Senator Asselin said yesterday. Senator Asselin, in referring to the Speech from the Throne, said this: "It contains just about all the Progressive Conservative program." I think you can see what my question will be. Is that Progressive Conservative program, then, merely an extension, as you have stated, of already existing programs which are in effect?

Hon. Mr. Grosart: I might say to the honourable senator that that was an extraordinarily long question. If I understand his question, it was whether there was a contradiction between what I said and what Senator Asselin said. The answer, of course, is no. If the honourable senator had listened carefully to what I said he would have realized that I was referring to one specific set of trivia, those that come under the head of what the government was going to do about unemployment. I was referring to only that item in the speech.

I would ask the honourable senator, if he is going to question me and quote me, that he do so accurately in the future because it will be much more helpful to me. The honourable senator referred to *Hansard*. He will find it very clear in *Hansard* that I related those trivia to one particular set of items in the speech.

I have said that unemployment has been passed over. There is no recognition of the fact that at the moment we have the highest unemployment rate of any industrialized country in the world. The Economic Council of Canada estimates that unemployment will be 4.5 per cent at best in 1975. I assume that means that if this government continues in office even the Economic Council of Canada's best hope, its best estimate, the best target it can give, is a reduction in unemployment to 4.5 per cent by 1975. This is the estimate of the Economic Council of Canada in its latest report, and presented officially to the meeting of the ministers here in Ottawa a few days ago.

My objection is that we have only palliatives in the Speech from the Throne—scores of them. Yes, they are all there. Most of them are ones that have been carried on for some time. We are going to feel the effect of them sooner or later. The Economic Council is not optimistic. There does not seem to be the realization that unemployment is a symptom of other policies that must be wrong. You do not have unemployment if the management of the economy is sound. What we have here is a long list of tranquilizers. There is a recognition, perhaps, that the patient is sick, but no realistic diagnosis of the sickness and certain-

ly no prescription and no evidence of any intention to prescribe an effective cure.

The same applies to inflation. There is no indication in this Speech, as I had hoped there would be, that this government intends to get out of the inflation business. The Economic Council of Canada has said that taxation is one of the major elements of inflation. In a recent study it is shown that in the seven inflation years from 1964 to 1971, 50 per cent of all inflation in Canada was as a result of government taxation. There is not a single mention in the Speech of any intention on the part of the government to remedy this situation. This is compounded, of course, by the confusion—confusion in the minds of businessmen and wage earners—with respect to the government's intentions. Without some clear knowledge that the government intends to remove its vested interest in inflation, we will be faced with a continual rise in inflation expectations, which generate more and more inflation based on the government's own contribution.

I do not intend to go over the whole sorry story of unemployment insurance. It has been discussed in the committee of the other place, and honourable senators are aware of the broad facts. But again, to relate it to the Speech from the Throne, what I find amazing is that there is no recognition here that this was an unsound, unworkable policy. There is only an excuse. The unemployment insurance fiasco—what is going to be done about it? What is going to be done to prevent abuses that have not been overcome "by administrative action already taken." I find it very disappointing. The government appears not to have learned its lesson, but is hiding behind some assumption that it was administrative action that caused it not to work.

On the confessional side, I find admissions—not frank and open admissions, but implicit admissions—of areas in which Canada has no policy whatsoever. It is almost unbelievable. If honourable senators will run through the Speech they will find, for example:

> Taken together these measures will contribute to the development and elaboration of a coherent set of industrial policies for Canada.

• (1510)

In other words, we do not have them. At this late date in our development as an industrial nation, the government comes to us and says, after years in office, "We are now going to promise you an industrial policy."

Again, the government has just discovered that it is important to the economy of this country to create an "incentive to work," and it is going to do it now. They have promised us that the policy will contain incentives to work. It is understandable, of course, because there are good reasons to suggest that some members at least of this present government have almost made a cult of disincentive to work.

I refer again to the Speech from the Throne. There is to be a competition policy. After all these years of hearing about the proposed Competition Act, we are now told we do not have such a policy and the government is going to give us one.

Almost unbelievable is the promise about some attention to our northern frontier. Honourable senators will excuse me if I have to search for it in the Speech, because the window dressing is not very neat. We are told the "development needs of the northern frontier areas in all four provinces could also be explored." Of course, Senator Laing speaks of the importance of our northern frontiers, our Arctic land. We are now told the government has no policy, but it "could" have the policy to explore the needs. I can only assume the government is saying it has not done it before, but it is going to do it. That is one of the promises.

Much has been said about the decision to call a conference of the Western provinces. The Speech from the Throne says that this will be a unique venture in the history of federal-provincial relations in Canada. Perhaps so. Perhaps Senator Laing is right in the plea he made today for some consideration of the point of view of the West. This government tells us that it will be a "unique venture" to sit down with the governments of the provinces.

The Speech says:

> Its purpose would be to explore potentials for economic and social development and, specifically, to consider concrete programs for stimulating and broadening the economic and industrial base of western Canada.

Surely, honourable senators, I am entitled to ask if this government is just starting that today.

Hon. Mr. O'Leary: What else is new?

Hon. Mr. Grosart: Or as my colleague says, "What else is new?"

I said I would make some reference to some vital matters that appear to have been omitted. There is not a mention in the Speech from the Throne about what is probably the most vital single problem facing Canada today, that is, the low productivity per employed person. In the years 1960-70, the productivity of Canadian workers increased at an annual rate of 2.3 per cent. The Economic Council tells us that the best target they can set, assuming the continuance of present policies, is 2.4 per cent for the whole period 1970-80. I contrast that with the fact that the current rate of increased productivity per employed person in the United States is 6.3 per cent.

There is not a word here about what the government thinks of an incomes policy—wage control, price control, if you like. There is no mention of the quite astonishing success of a similar policy in the United States. There is no indication here—and it is important that we have an indication—of what the government intends to do.

There is practically no reference to the problem of exports. During the 1960s, we had an increase of 9.8 per cent per year in our exports. The latest prediction, again of the Economic Council is that, in the years 1973-75—the years immediately ahead—that is going to drop to 6 per cent. That is not my figure, honourable senators. We are faced with a drop from 9.8 to 6 per cent in our exports. I might remind honourable senators that there is no country in the world to which exports are more important than Canada, with the possible exception of New Zealand.

There is no mention in the Speech from the Throne—and again this possibility was mentioned by Senator Laing—of a "buy Canadian" policy. In the last few weeks

we have had three or four instances of government procurement in those very essential heavy machinery and high technology areas that Senator Laing referred to. That procurement is going abroad. There is no reply from the government when protests are made. We are to continue to be the only industrial nation in the world which does not, to my knowledge, have a clear cut policy of buying Canadian in its government purchasing policy.

Finally, honourable senators, I do find something in the Speech which I like, and that is the reference to election expenditures. I have had some experience in this area and I can only say that I hope the government is really serious about it. I personally attempted, on at least two occasions, to draft a bill or the components of a bill that would control election expenses. It can be done. It has been done with considerable success in England, and with some success in Quebec. Looking across the border, it seems to me that among the very greatest single dangers to our whole political system, to the survival of democracy, are the problems created by these mounting election expenses. We have all seen these fantastic figures of the cost of elections in the United States. Already some members of our House of Commons are filing the costs of their elections—$60,000, $70,000 or $80,000 for a member. These were personal expenditures, apart from national expenditures, to get elected.

Hon. Mr. Rattenbury: It may be that is not all of it.

Hon. Mr. Grosart: Senator Rattenbury, with experience that might match my own, suggests that perhaps not all of the expenditures appear in these figures. This may be so. I am sure, honourable senators, that although none of us here requires to get elected, we all have the very greatest sympathy with those of our colleagues in Parliament who are faced with this fantastic problem at least every four years, and perhaps twice within a few months in the not too distant future, of these expenditures.

I trust the government will bring in a bill which will really control these expenditures. If I may suggest a way in which it can be done, I think one simple measure would do it, and that is to lay down the rules and say that if they are contravened the election is void. That is the one way of making sure that a candidate stays within the rules. He will not worry about fines, but he will be concerned if he knows that if his supporters and official agents contravene those rules the game is up.

• (1520)

Hon. Mr. Rattenbury: I think the rules as laid down should be realistic. It is no good talking in terms of $2,000 or $3,000 per candidate.

Hon. Mr. Grosart: I would agree, of course. They have to be realistic. But there are various ways that have been suggested in which they can be made more realistic than they could be on a mere cash basis. I am referring to contributions of so much air time and newspaper space paid for out of public funds, and so on. There are many ways that it can be made more realistic, but I still believe that it is more than just unfair to individual members; there is a threat to the whole system that can be caused by these tremendous election costs.

Honourable senators, I see some frowns on the faces of my friends on the opposite side. If once again I have been partisan in my remarks, I excuse it only by saying that this debate on the Speech from the Throne, after an election, is about the only time that those opposite encourage me to respond in this manner.

Thank you for your attention.

[*Translation*]

Hon. Maurice Bourget: Honourable senators, since the opening of the present session, all my colleagues who had an opportunity to participate in the debate on the Address in reply to the Speech from the Throne made it a point to congratulate Senator Fergusson on her appointment to the office of Speaker of the Senate. I do not want to offend her modesty anew by repeating all the praise heaped upon her, but I must say that all the good words addressed to her were well deserved and that I, for one, am glad to endorse them heartily. It is therefore my pleasure to join all my colleagues in congratulating her, wishing her great success and assuring her also of my unqualified co-operation.

As a former Speaker, I also want to welcome our former Speaker, Senator Deschatelets, on his return among us. I congratulate him for his outstanding performance in his functions during the four years in which he presided over the Senate. I know from experience that at certain times, when one occupies the Speaker's chair, there is a certain amount of frustration because, as the saying goes, a Speaker should be seen but not heard. As I knew Senator Deschatelets when he was in the other place and knew how anxious he always was to participate in the debates, I know he was frustrated at certain times when this restriction so painfully applied to him. However, now that he is free, I hope we will have more opportunities to hear him during the coming debates.

To the movers of the Address in reply to the Speech from the Throne, Senators Hicks and Lafond, I tender my sincere congratulations for the interesting speeches they made on that occasion, whereby they proved once more what valuable assets they both are for the Senate.

We are all pleased to have five new senators in our ranks. I want to welcome them heartily among us. Four of them are former ministers who have acquired in the other place valuable parliamentary experience which, I hope, will benefit us during our future debates.

As for Senator Neiman, she brings with her wide experience in the judicial and social field and I am sure she will, in the immediate future, take a meaningful and interesting part in our proceedings.

I should like to point out, by the way, that never since Confederation has the female representation in Parliament been as large as it is today with our eight ladies in the Senate and another five in the other place. I think that is all to their credit! And I congratulate them all most sincerely.

Honourable senators, last December 27, Canada and the whole world learned with grief about the passing of the Right Honourable Lester B. Pearson, former Prime Minister of Canada. Many messages of condolences from all over the world were forwarded to his family and to the Government of Canada, and eloquent and moving tributes were paid to his memory. Here in the Senate, the various stages of his brilliant career and his distinguished services

to his country were recalled. As one of those who had the opportunity of sitting with him in the other place, I can say I have seldom met so humble, so intelligent, so courageous and so sincere a man as "Mike" Pearson. For those of us who sat with him, at that time, on the Opposition benches, he was not just a leader; he was an adviser, a friend and, if you will allow me to say so, he was even a big brother to us.

Canadians from every part of the land deplore his passing away and we French-speaking Canadians, more especially, will never forget the sympathy he always showed us by recognizing better than anyone else our legitimate aspirations.

Honourable senators, ever since I entered political life, 32 years ago already—time flies so fast in the company of good friends and, shall I say, fair enemies—I have always been especially interested in our shipbuilding industry. First of all, because for 22 years I represented a riding in which was located one of the most important shipyards in Canada and also because I felt that, from the point of view of national defence and the national economy, keeping that industry alive was essential. You will recall the major role played by our shipyards during both World Wars; you will also recognize that this very same industry is now providing employment for thousands of Canadians in various parts of our country.

Since the end of the last war, operations in these shipyards have been on the up and down, and this is why governments, on different occasions, have had to help them overcome their difficulties. I do not think it necessary to relate the history of the various measures initiated by the government, either in the shape of accelerated depreciation allowances, and export grants, or of direct subsidies, because all these measures are well known to each and everyone of us.

The most recent program, commonly known as STAP and initiated by the Department of Industry, Trade and Commerce in November 1970, has enabled our shipyards to build 24 ships for foreign owners. This program is due to expire on March 31 of this year, and these ships should be completed by October 31, 1975. Further to providing employment for thousands of workers, this program has enabled our shipyards to acquire a valuable experience in the building of heavy tonnage ships and to develop new building methods. I think the government would be well-advised, if the demand from abroad endures, to go on with this program beyond March 31 and extend it to Canadian shipping companies who could take advantage of it, either to increase or update their present fleets. I am convinced that the departments concerned are following the situation in our shipping industry closely and that they will take steps in due course to ensure its survival.

• (1530)

Another matter which greatly affects the operations in our shipyards is the coasting trade. Honourable senators will remember that on January 1, 1966, the amendment to the Canada Shipping Act which had been assented to on March 18, 1965, was brought into force. The purpose of this amendment was to reserve for Canadian vessels the coasting trade between the Great Lakes and as far seaward as a straight line drawn from Cap des Rosiers to West Point Anticosti Island and from Anticosti Island to the north shore of the St. Lawrence River along the meridian of longitude 63 degrees west. This amendment made it necessary to add a new subsection to section 671 of the Canada Shipping Act. This change was not agreeable to all concerned but it was passed on the ground that it was a step in the right direction.

In August 1969, the Water Transport Committee of the Canadian Transport Commission was commissioned by the Minister of Transport to carry on an inquiry in connection with coasting trade in Canada. The inquiry undertaken by the committee was afterwards put in the hands of Mr. H. J. Darling, an Ottawa economist, who submitted a report in October 1970. This report of over 200 pages includes a list of 15 recommendations, the main object of which is to limit the coasting trade in Canada to vessels flying the Canadian flag. As a matter of fact, the first of those recommendations is as follows:

> The Canadian coasting trade should be reserved to Canadian-flag vessels only which would require Canada to withdraw from the British Commonwealth Merchant Shipping Agreement.

Another of those recommendations provides for the issuing of permits to non-Canadian flag vessels to participate in the coasting trade in cases where Canadian vessels are either unavailable, insufficient or inadequate for that purpose. That section is necessary I believe, especially during the adjustment period when new changes will be put into effect.

I have not read the whole report, but I have read enough of it to say that it is the most complete and careful study ever done on the coasting trade in Canada. If its recommendations are accepted, as I hope they will be, the result will be to enable the Canadian government to better control the coasting trade throughout Canada, to get more revenue out of taxes on Canadian shipping companies, to assert ever more positively Canadian sovereignty in Arctic waters, to provide more employment for our navigators and also to stimulate activity in our shipyards with the building and repairing of ships that will be needed to meet with those new requirements.

I know the report does not win unanimous approval, but Mr. Darling, in his report, and also in an article he wrote on this subject, and which has been published in the Financial Times of Canada on January 1, 1973, answers with excellent arguments those who have objected to his recommendations.

On the other hand, several labour unions, such as the Canadian Labour Congress and the SIU, have sent to the Minister of Transport of the day during the last year, briefs and letters in which they renewed their support for the recommendations made in the Darling report asking the department involved to implement the report's recommendations. The Dominion Marine Association also forwarded to the minister last August a lengthy and interesting brief in which it expressed its views and gave its reasons for fully supporting the recommendations included in the Darling report.

I also note, as the honourable senators have noted themselves, that many members in the other place are deeply concerned with this matter.

Personally, as I said earlier in my remarks on this subject, I agree with the recommendations made. I hope that the new Minister of Transport will soon recommend to Parliament the required amendments to the Canada Shipping Act.

Another thing which would have a major impact on the activities in our shipyards would be the building up of a Canadian merchant marine.

I know this question has been discussed over the years and has given rise to much controversy. But I think that even though it is that controversial, there is nothing to prevent us from discussing it since, as I will try to prove shortly, it would be beneficial to Canada. Our country has been absent from this field for several years, even though Canada is considered as one of the most important nations in the world in the import and export business. Studies have been conducted in this connection to determine whether this kind of activity would be economically viable for Canada. The main objectives considered in these studies were the following:

Firstly, to determine the kind of ships we should build that would operate at minimum costs.

Secondly, to assess building and operation costs for Canadian ships as compared with the same costs for foreign ships involved in the same kind of transportation.

Thirdly, to analyse the profits and costs which might result for Canadian economy.

Fourthly, to determine how costly it would be to the Canadian Treasury to assist efficiently in the development of a Canadian merchant marine.

As I said earlier, I am far from being an expert on that question; this is why I cannot give a definite opinion in this regard, but I feel that, if we proceed by stages according to a well-defined plan, this project could be achieved and it would be beneficial to the Canadian people.

As for our dockyards, as far as the mercantile marine is concerned, even if the government had to provide financial assistance so that they could modernize and develop more economical building methods, they have, I suggest, the necessary knowledge and qualified manpower to build the kind of vessels which could be operated efficiently and economically in this sort of activity.

• (1540)

The benefits that could accrue to our economy are numerous. It is difficult to believe, in view of the ever-increasing volume of products and commodities such as grain, oil, ore, coal, wood and many others which have to be moved outside of Canada, that Canadian ships or ships flying the Canadian flag, are nearly totally nonexistent in that field. So I think what is involved here is, first of all, a question of national prestige which is important.

Furthermore, our shipyards could increase substantially their labour force. There would also be many more jobs for naval officers and crew members. The many Canadian industries which provide machinery and materials to our yards, would increase their production and thereby hire more workers. I am told on this subject that the number of workers employed in the service industries connected with shipbuilding is roughly equal to the number of employees in the yards as such.

[Hon. Mr. Bourget.]

Also, one must not forget the considerable amounts the public treasury would be drawing in the form of taxes of all sorts, of personal and corporate income tax, let alone the millions it could save by not having to pay unemployment insurance or social security benefits to those who without this new activity would be without a job.

At the present time, as one knows, the government is spending rather substantial amounts to help shipbuilding because, as I said a while ago, it recognizes the necessity and the importance of that industry from the point of view of our defence and national economy. The need for that industry being recognized, it will have to continue helping it to stay afloat and progress. The creation of a Canadian merchant marine will help us a lot to reach that goal and considering the present system, it is my humble opinion that in the final analysis, it will not cost much more to implement this project if, as I said a moment ago, we do it gradually and according to a well-established plan.

Honourable senators, one last point on which I should like to direct your attention is that which has to do with the CN employees pension fund. Between May 28 and June 25, 1970, the Standing Committee of the House of Commons on Transport and Communications heard evidence submitted by the representatives of the various CNR employee labour unions, representatives of retired pensioners, and received a brief from the company regarding this fund. The Committee later tabled its report which gave a short history of the CNR pension plans, an analysis of the representations which were submitted, and finally a few recommendations. Some of their recommendations were partially accepted by the CNR management. Since September 1, 1970, for instance, the contributing and non-contributing members to the 1935 plan, and pensioners and widows receiving benefits under that plan have been eligible for the 1959 retirement plan. That measure allowed many employees and retired people to have the amount of their pension increased. Concerning retirements up to September 30, 1970, the 1959 plan has been amended so as to offer to its members early retirement at age 60 without the amount of the pension being reduced, provided that age and years of service add up to 85. Moreover, as of January 1, 1971, CN pensioners are eligible to the 1959 plan and, having retired before January 1, 1970, their pension was increased by 2 per cent for every retirement year already taken. Certain changes have also been made in the Pension Commission.

These improvements are undoubtedly appreciable and a step in the good direction, except perhaps in the case of changes made in the membership and functions of the CN Pension Commission since according to the information I could gather, the Commission has not been granted more power and responsibilities than before. Much could also be said about payments by both parties into the retirement fund, since there seems to be a difference of opinions about the amounts that both parties must pay into the fund. I shall have another opportunity of speaking at some length about such a complex question. But in my opinion, the most important problem has not been settled, that which relates to pension benefits paid to those who retire.

Since January 1, 1966, the plan has been adjusted to the provisions of the Canada Pension Plan or to that of Quebec. The benefit remained at one and half per cent for each year previous to 1966. As of January 1, 1966, this benefit was one per cent of that part of the salary subject to contribution, according to the Canada Pension Plan, and one and a half per cent on the remaining salary. The contribution rate becomes then five per cent of that part of the salary subject to contribution, according to public plans, and six and a half per cent on the remaining salary. For public servants on the other hand, where the plan was also adapted to or integrated in to the Canada or Quebec Pension Plan, the rate of contributions for a male employee is six and a half per cent of his salary, but his rate of benefit is two per cent for each year of service. It is about this disparity or difference of one half per cent between the rates of benefits paid to one and the other that the CN employees are complaining.

They wonder why as employees of a crown corporation they are not treated exactly the same way as the Public Service employees and the employees of other companies under federal jurisdiction.

I find their request reasonable and even if there is any need for adjustments regarding this difference of one and a half per cent less which they pay on that part of the salary subject to contribution under pension plans there is no reason why these employees should not be treated like those working in the Public Service and should not avail themselves of the two per cent formula.

I hope that the interested parties, keeping in mind that the government is about to improve many pension or allowance plans, will find a solution to this problem interesting over 80,000 railway employees. Should there be no solution, I think the government would be justified in intervening.

• (1550)

[*English*]

Hon. Margaret Norrie: Honourable senators, today I wish to express my very sincere congratulations to our newly appointed Speaker, Senator Muriel Fergusson. I believe I am the last one to do so. She not only has brought great honour to herself, to her home city of Fredericton and her Province of New Brunswick, but especially to the women of Canada. Already she has performed with the originality and distinction which she has demonstrated in her previous work in the Senate. Her natural dignity, intelligence and concern for others, I am sure, will guide and attend her all along the way. Her appointment has won great acclaim everywhere.

To Senator Deschatelets we owe a debt of gratitude for the admirable way in which he executed his duties as Speaker. I hope the functions he performs now will be as rewarding to him. I am confident his vision and work will be extremely beneficial to this chamber.

To all the new senators I should like to add my welcome. The best I can wish for them is many opportunities to serve Canada and her people. I am sure their contributions will be great.

The eloquent and heartfelt tributes paid to our beloved Lester B. Pearson by the government leader, Senator Martin, and the Opposition Leader, Senator Flynn, will long be remembered. I must add to that the beautiful tribute paid by a very dear friend, Senator Connolly (Ottawa West) only yesterday. We are experiencing such a sense of loss that it is difficult to put such feelings into words. I know that we are only just beginning to realize the full genius and enormous value of this great Canadian and world leader, who had time and ability to find some good in every human being with whom he came in contact.

Before I proceed further I wish to take this opportunity to thank you, honourable senators, for the many words of greeting and deeds of kindness extended to me as a new senator last May. At every turn someone was ready to show me some courtesy. I did appreciate your help and warm friendliness.

Honourable senators, in the Speech from the Throne there is only one item that I am going to burden you with at this late hour today. It is something which concerns me very much because of the uncertainty of the time element. I refer to measures for protecting the natural environment. In more specific terms, I refer to the intention of making a third national park on the eastern shore of Nova Scotia, and to do this by February, 1973. In the interests of a "just society," which seems to become more important each day we live, I would like to bring to the attention of this house the dramatic struggle that is taking place on this eastern shore.

• (1600)

Forty miles east of the twin cities of Halifax and Dartmouth is a rugged coastline on the Atlantic Ocean. An agreement for a national park of 225 square miles was signed on August 25, 1972, by the Minister of Indian Affairs and Northern Development, Honourable Jean Chrétien, and the Minister of Lands and Forests, Honourable Benoit Comeau, of the Province of Nova Scotia. The inhabitants had heard faint rumours since 1965, but no one had been informed of the proceedings, and there are very sound reasons for keeping it a great secret, such as the danger of land speculation.

Beautiful little villages are scattered here and there at the bend of a river, or on a slope to a beach, where eight or nine rows of breakers lend constant fascination to the viewer. Further on, the breakers crash over rocky boulders. Many islands are scattered offshore. The houses are small and neat, most of them well painted and comfortable. Some are as old as 200 years. Almost everyone owns a car or a boat. Good schools are available. The men work at fishing part-time, or lumbering. There are local garage owners, a plumber or electrician, and some commute to and from Halifax to work. The road is excellent. Life is varied and rewarding. Contentment reigns.

Suddenly all this is in jeopardy. A memorandum of intent was signed by the provincial and federal governments to have a national park along there. In the plan, certain villages are to be wiped out, including Clam Harbour and other beautiful little spots, the nicest ones possibly to be replaced by a motel or playground for tourists and the pleasure of nearby twin city dwellers. Some 98 homeowners and 167 cottagers are still uncertain as to their future.

Nova Scotia already has two national parks. One is in northern Cape Breton and is 367 square miles in area. It is interesting to note that a year or so ago the department

endeavoured to extend the boundaries northward to include the whole of northern Cape Breton, and 2,000 residents rose up in arms. The project was abandoned, and the people in that area remain in their homes.

The other national park is at Kegimkujik, 140 square miles in area, in the Annapolis Valley. This, with the addition of Ship Harbour, means that 3.4 per cent of Nova Scotia will be set aside as national parks. Besides this, Nova Scotia has four large game sanctuaries.

I am in possession of statistics, but I do not propose to bore honourable senators with them. They show that Nova Scotia has far more area set aside as national parks than any other province. Many meetings have been held, and a petition containing 1750 names was presented to Premier Regan imploring him to allow the residents to keep their homes. That is all they ask. Not one inhabitant would object to a provincial park which would help them keep their beaches clean and prevent unsightly construction or pollution. In fact, they would welcome such a move. But they want their homes where freedom and human rights, peace and beauty, abound.

How many people are looking for just such spots today? They pay large sums of money for them. Why should these people have to give up their cherished land, which is steeped in the history of their ancestors going back some 200 years?

Mr. Chrétien, in his "Byways and Special Places," a pamphlet published on October 10, 1972, states:

> Byways and Special places is an offer to work with all Canadians, private citizens, conservation associations, youth groups and communities not only to preserve what remains of our natural and historic heritage but also to restore some of what we have lost.

Further on he says:

> If we care enough, each of us, to accept the challenge to protect and preserve our natural and human heritage—

Clam Harbour is surely part of this heritage, both natural and human. The people have an inborn love for this place, which money cannot buy. The beach and immediate area would surely be a special place, and the byways could surely skirt the present dwellings and the whole community.

Time and again Mr. Chrétien says:

> We see developing on the map of Canada new Perspectives of our natural and human heritages, of areas beyond today's horizons to yesterday's frontiers, along the routes of history and to those special places which are so much a part of our inheritance.
>
> We feel that this program captures the mood of the Canadian people today. Canadians no longer have a single-minded concern with economic development. They are concerned with the quality of life, with those intangibles which are not measured in purely economic terms. They have a heritage which they seek to preserve, to understand and to experience. Thus programs would help to satisfy this need.
>
> The paths and experiences of the native peoples, the voyageurs and the early settlers can still be traced in Canada—along our byways and in our special places.

[Hon. Mrs. Norrie.]

We have, on the one hand, the memorandum of intent—six months after it is signed it becomes law—and, on the other hand "Byways and Special Places." There is quite a gap between the two. Can we close that gap and obtain satisfaction for these people?

There are times when the method of expropriation of land must be used, and I would be the first to admit the value of this method as a last resort. But it is never a happy one. However, is a large national park important enough to ruin and upset the communities along this once-contented eastern shore? Employment of some 30 people is contemplated. Every village, inside and outside, must attend to the upkeep of the park if it becomes a fact.

One other very worrisome factor is the position of the landowner versus the Government of Nova Scotia. The expropriation laws are very harsh. In fact, they are the harshest of any province. The landowner has not a leg to stand on regarding negotiation. I must say, in all fairness to Premier Regan, that he has welcomed delegations, consultations and petitions with an open mind, but so far does not want to promise retention of home ownership.

One factor not often talked about along this shore is the eternal presence of fog. The natives expect it, love it, cope with it, and have come to accept it as a hazard to be reckoned with. I fear tourists would think differently.

The Ship Harbour area is unique in Canada for a national park. There is no other place like it. No other area has its varied terrain, growth, wildlife, or water attractions. Other areas of Nova Scotia are clamouring for a national park. Why not consider them, and make "Byways and Special Places" the project in Ship Harbour? With a fresh committee to smooth ruffled feelings, much can be accomplished, economically speaking. This will help a bit to show Senator Laing that Nova Scotia is working hard to become one of the "have" provinces, which we would dearly love to be.

• (1610)

I should like to quote from a brief presented by the Association for the Preservation of the Eastern Shore:

> The association considers that the area selected by the National and Historic Parks Board for a N.P. [National Park] is indeed as they have implied, "an area of outstanding natural beauty." We are not convinced that they also recognize that the same is an outstanding example of the E.S. [Eastern Shore] way of life, of traditional communities, occupations and industries, and that these factors enhance the natural beauty. Put simply, we consider the area under question to already constitute a "natural park" and that any disruption of this existing mutual harmony between man and nature is unnecessary. What already exists is worthy of preservation as a whole and it is on this concept that we base our alternative.
>
> In our view, no disruption of people need take place at all, since all requirements can be satisfied if both governments adapt a flexible and broad outlook instead of the narrow one that they have now.

I should like now to say a few words in defence of the Honourable Jean Marchand, whose good name has become somewhat of a political football.

On my desk, and probably on the desks of most honourable senators, were left two accounts of misinterpretations and corrections of various activities of the Department of Regional Economic Expansion by two leading newspapers. One was directed to the editor of the Toronto *Star*, and the other to the editor of the *Globe and Mail*. I should like to read a sample of the misleading items published just before the election. The corrections are explained. This is from a letter dated September 13, 1972, from Mr. Marchand to the editor of the Toronto *Star*:

> A short while ago you published a series of articles by Walter Stewart on the activities of the Department of Regional Economic Expansion. In the interests of accuracy and balanced interpretation, I am writing to ask that you publish with similar prominence a number of comments that I would like to make.

And there are seven or eight comments, of which I intend to read only two:

> Mr. Stewart states that "Aerovox Canada Ltd. got an industrial incentives grant of $235,950 from the federal government to start a new factory in Amherst, Nova Scotia, so it closed its Hamilton, Ontario, plant". The facts are that Aerovox took and made public its decision to close the Hamilton Plant before it even applied for an incentive grant from this Department. At that time, it was the intention of the company to supply the Canadian market from one of its U.S. production facilities. The provision of incentive assistance has meant that the Canadian market will now be served from Canadian rather than U.S. facilities and will be located in a region where growth has for decades been inadequate. We did not move jobs from Hamilton to Amherst, we moved future jobs from the U.S.A. to Amherst . . .
>
> In all, Mr. Stewart wrote five articles about the activities of my Department. Of these, four were unequivocally critical of a number of grant offers to various companies. And the one "success story" that Mr. Stewart singled out was dealt with in such an ambivalent fashion that he almost managed to make it appear like a failure. It seems to me that, if Mr. Stewart had been genuinely concerned to present a fair and balanced appraisal of our incentive activities, he would have found it relatively easy to identify more projects for the positive side of his particular ledger . . .
>
> In Yarmouth, Nova Scotia, Alwood Products Ltd., with the help of my Department, now occupies premises previously owned by a company that was forced to close down more than a year ago. The project is expected to generate 100 direct jobs and future plans may well produce further employment opportunities whenever local wood resources can be used. In addition, the potential for sales to export markets is encouraging.

And Mr. Marchand goes on to say:

> I could go on. But I think I have given enough examples to show that the overall picture painted by Mr. Stewart's articles was inaccurate and misleading. I have never objected to fair criticism. But I confess to some annoyance when observers of our programs present a picture that is biased and lacking a reasonable basis in fact.

There are many such items in those two newspapers reports. I believe, honourable senators, that we should talk about these misrepresentations as much as possible. I hate to see the good name of any Canadian maligned unjustly, and Jean Marchand has been grossly misunderstood.

The Hon. the Speaker: It is moved by the Honourable Senator Hicks, seconded by the Honourable Senator Lafond:

That the following Address—

Some Hon. Senators: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Grosart: On division.

Motion agreed to, on division, and the Address in reply to the Speech from the Throne adopted.

On motion of Senator Molgat, ordered that the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

The Senate adjourned until Tuesday, February 6 at 8 p.m.

THE SENATE

Wednesday, January 31, 1973

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered,—That a Message be sent to the Senate to acquaint Their Honours that this House has appointed Messrs. Bell, Blackburn, Boisvert, Cafik, Caron, Gauthier (Ottawa East), Jelinek, L'Heureux, MacDonald (Egmont), MacGuigan, MacKay, Mitges, O'Sullivan, Pelletier (Sherbrooke), Prud'homme, Reid, Ritchie, Roche and Rose a Committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this House as members of a Joint Committee of both Houses on the Library.

Attest

Alistair Fraser

The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered,—That a Message be sent to the Senate to acquaint Their Honours that Mrs. Morin and Messrs. Barnett, Caouette (Charlevoix), Corbin, Dupont, Ellis, Éthier, Forrestall, Fox, Grafftey, Hopkins, Howie, Hymmen, Marshall, Masniuk, McRae, Patterson, Rowland and Stackhouse have been appointed a Committee to direct the printing of the House of Commons and to act on behalf of the House as members of a Joint Committee of both Houses on the subject of the Printing of Parliament.

Attest

Alistair Fraser

The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered,—That a Message be sent to the Senate to acquaint Their Honours that this House has appointed Miss Bégin and Messrs. Allard, Bell, Crouse, Danson, Foster, Gleave, Guay (St. Boniface), Hales, Harding, Langlois, Leblanc (Laurier), Munro (Esquimalt-Saanich), Neil (Moose Jaw), Nesbitt, Paproski, Portelance, Roy (Laval), Schumacher and Thomas (Moncton) a Committee to assist His Honour the Speaker in the direction of the management of the Restaurant of Parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House as members of a Joint Committee of both Houses on the said Restaurant.

Attest

Alistair Fraser

The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Ordered,—That a Message be sent to the Senate to acquaint Their Honours that Mrs. Morin and Messrs. Atkey, Balfour, Béchard, Brewin, Clark (Rocky Mountain), Fairweather, Fortin, Fox, Marceau, Poulin and Ritchie have been appointed a Committee to act on behalf of this House as members of a Joint Committee of both Houses on Regulations and other Statutory Instruments.

Attest

Alistair Fraser

The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

EMERGENCY SITTINGS

RECALLING OF SENATORS—QUESTION OF PRIVILEGE

Hon. Jacques Flynn: Honourable senators, I rise on a question of privilege. As you realize, there are not many senators present in the house today. I was informed last night by Senator Molgat and Senator Langlois that the Senate would meet this afternoon, but the telegram message was not telephoned to my house until 8.15 this morning.

It seems that for the majority of our members there was insufficient notice for recalling the Senate at 2 o'clock this afternoon, and I suggest that it would be unfair to consider as absentees those senators who were not able to be here today.

I would second a motion by the Acting Leader of the Government that, because the notice was too short, those who are not here today be not considered as being absent.

Hon. Leopold Langlois: Honourable senators, I have no objection whatsoever to such a motion, but I should point out that the telegram which was sent to honourable senators informing them of today's sitting was telephoned to my place in Quebec City at about 9.30 last night. I think my honourable friend was away from home—

Hon. Mr. Flynn: I am not complaining.

Hon. Mr. Langlois: —and that possibly explains why he received the telegram only this morning.

Hon. Mr. Flynn: I am not speaking of myself, but I don't think honourable senators should have to stay at home every night to await a telegram.

Hon. Mr. Langlois: I am not blaming my honourable friend. I am simply trying to give an explanation with respect to what he said. The telegrams were, in fact, sent out by the Clerk last night.

Hon. Mr. Forsey: The telegram I got reached me by telephone at 11 o'clock last night right here in Ottawa, so some honourable senators must have had very short notice.

Hon. Mr. Molgat: Honourable senators, I recognize that the notice was short, and for that I apologize. However, the Senate staff attempted to call honourable senators by telephone in advance. They were unable to reach everyone, but they did make an attempt. I want to extend personal thanks to those staff members who stayed late last night to do this work.

Hon. Mr. Flynn: I agree with that. My only concern is registering as absent those who were unable to get here this afternoon because of the short notice given.

Hon. Mr. Grosart: Perhaps they should call after midnight and find out who stays out late at night.

Hon. Mr. Duggan: I received my telegram at 12.15 this morning down in St. John's, Newfoundland.

Hon. Mr. Phillips: You did very well to get it.

The Hon. the Speaker: Honourable senators, this is a matter on which I do not think I can make a decision or entertain a motion. I suggest the matter be referred to the Law Clerk to determine whether the action suggested by the Leader of the Opposition can be taken.

Hon. Mr. Flynn: There could be a formal motion later, if it is believed necessary.

PILOTAGE 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-127, to amend the Pilotage Act.

Bill read first time.

SECOND READING

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

Hon. Leopold Langlois: Honourable senators, I move, notwithstanding rule 44(1)(f), that this bill be read a second time now.

Hon. Mr. Flynn: I should like the Acting Leader of the Government to put on record the reasons for asking leave to proceed with second reading at this time.

Hon. Mr. Langlois: Honourable senators, I intended to do so in my remarks but I can do so now. The reason for my motion to proceed now is that this is a matter of urgency. The by-laws and regulations under the Pilotage Act, which came into force in February 1972, have not as yet been drafted and published in the *Canada Gazette.* Unless extended, the present by-laws and regulations will expire as of midnight tomorrow with the result that throughout Canada—not only on the East Coast but throughout Canada—there will be no pilotage system. This is the situation we are requesting this chamber to remedy.

• (1410)

Hon. Mr. Flynn: I read in *Hansard* of the other place that leave was given to proceed with second and third reading last night. Therefore, subject to what may be said later, we agree to proceed with second reading at this time.

The Hon. the Speaker: Honourable senators, it has been moved by the Honourable Senator Langlois, seconded by the Honourable Senator Molgat, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Langlois: I am grateful to honourable senators for having consented to give leave to proceed with second reading now.

In order to enable honourable senators fully to understand the situation that presently obtains in regard to this proposed legislation, I deem it necessary to give some background not only of this particular bill but of the previous Pilotage Act, which, as I said a while ago, was assented to about a year ago, and to which we are now seeking an amendment.

As honourable senators will recall, a Royal Commission on Pilotage was appointed in November 1962 as part of the general solution of the strike by the St. Lawrence River pilots, which the British Columbia or West Coast pilots and the Saint John, New Brunswick, pilots had threatened to join. The commission held public hearings at major ports from coast to coast, and received numerous briefs from every section of the shipping industry. The commission studied pilotage in other countries, but concluded that basically pilotage is a local matter, and few countries have as many diversified types of pilotage operations as are found in this country.

The report of the commission, published in five volumes, was completed on August 5, 1971. Following the publication of Part I of the commission's report, which contained 39 major recommendations, a task force was set up by the Department of Transport to determine how these recommendations might be implemented. A major recommendation of the commission was that legislation permit the effective use of pilotage as the ultimate means of achieving safety of navigation and safe, speedy movement of ships when required by the country's superior interest. It also recommended that the principle of decentralization be retained and fully implemented.

The Pilotage Act received royal assent on June 30, 1971, and incorporated nearly all of the recommendations

of the Royal Commission on Pilotage. It replaced Parts VI and VIA of the Canada Shipping Act, which had become outdated. In preparing the bill, extensive consultations took place with the shipping community, pilots' representatives and other interested parties. This decentralization is effected by establishing four regional pilotage authorities as crown corporations with wide powers to establish, operate and maintain, in the interests of safety, an efficient pilotage service within their region.

In introducing that act, the Honourable Mr. Jamieson said:

> It is anticipated that they will become financially self-sufficient and that subsidization will be reduced to a minimum, partly as a result of our over-all policy that the cost of government services should be met by the users.

After receiving nominations from the pilots' associations and shipping representatives, four regional authorities were created on February 1, 1972, namely, the Atlantic Pilotage Authority, Laurentian Pilotage Authority, Great Lakes Pilotage Authority, and Pacific Pilotage Authority.

The Atlantic Pilotage Authority has a chairman and six members; the Laurentian Pilotage Authority has a chairman and five members, and a sixth member was appointed later to serve as vice-chairman; the Great Lakes Pilotage Authority, which was set up as a subsidiary company of the St. Lawrence Seaway Authority, has a chairman, vice-chairman and five members; the Pacific Pilotage Authority has a chairman and six members.

The Atlantic Pilotage Authority, with head office in Halifax, Nova Scotia, has jurisdiction over all Canadian waters in and around the Maritime provinces and in Chaleur Bay south of Cap d'Espoir, Gaspé county. It employs 84 persons including 10 pilots, and it supervises 60 pilots who are not employees of the Authority. The Authority was provided with $1,033,000 in the 1972-73 main estimates.

The Laurentian Pilotage Authority, with head office in Montreal, Quebec, has jurisdiction over all Canadian waters in and around the province of Quebec, north of the northern entrance to St. Lambert Lock except the waters of Chaleur Bay south of Cap d'Espoir, Gaspé county. It employs 75 persons and supervises 253 pilots who are not employees of the Authority. The Authority was provided with $1,018,000 in the 1972-73 main estimates.

The Great Lakes Authority, with head office in Cornwall, Ontario, has jurisdiction over all Canadian waters in the province of Quebec, south of the northern entrance to St. Lambert Lock and all Canadian waters in and around the provinces of Ontario and Manitoba. It employs 80 persons, including 56 pilots, and supervises 68 pilots who are not employees of the Authority. The Authority was provided with $454,000 in the 1972-73 main estimates.

The Pacific Pilotage Authority, with head office in Vancouver, B.C., has jurisdiction over all Canadian waters in and around the province of British Columbia. It employs 55 persons and supervises 92 pilots. The Authority was provided with $799,000 in the 1972-73 main estimates.

In addition to this, a staff of 15, headed by the Director of Marine Pilotage at the Ministry of Transport Headquarters here in Ottawa, advises the minister on pilotage matters, and is responsible for establishing national technical standards and conducting research required to ensure that these standards are maintained at a high level. It is also responsible for prescribing standards for health, uniform financial reporting procedures, procedures for hearings held by Authorities and recommending the establishment of compulsory pilotage areas where an Authority fails to do so and it is considered to be in the public interest.

The Pilotage Act, subsection 43(4) provided that:

• (1420)

> Every by-law made or expressed to have been made by a pilotage authority as defined in the Canada Shipping Act and every regulation made pursuant to Part VIA of that Act and in force, or deemed to be in force, on the commencement of this Act—

continued in force until the by-law or regulation was revoked by an Authority. By this I mean one of the four Authorities I have just mentioned. The by-laws and regulations referred to in this subsection covered the operations of each pilotage district, including such matters as licensing of pilots, examinations, collection of dues, dispatching of pilots, entry into the pilotage service, assignment of pilots to duty, discipline and other matters respecting the regulating of pilot service and tariff schedules for each of the 29 districts which were operated under the Canada Shipping Act.

Since their establishment, the Authorities have been required to negotiate with pilots of the various districts within their regions. Under the act pilots may elect to be employees of the Authority or to contract their services through their association. The Authorities could not establish new pilotage tariffs until negotiations with the pilots were completed, and they have found it impossible to adopt new by-laws and regulations prior to the expiration of the old by-laws and regulations because of unavoidable delays involved in rendering operable their administrative structures and in negotiating new tariffs with representatives of the pilots and industry to provide for their operating costs and allow for increases in wages demanded by the pilots.

Here I deem it necessary to open a paragraph to say that the delay might be attributable in this case to an excess of democracy due to many discussions and negotiations which the authorities deem fit to initiate, not only with the users of the service but with those performing the service.

Furthermore, some of the tariffs proposed were objected to under section 23 of the Pilotage Act. When an objection is filed before the Canadian Transport Commission, a tariff is held in abeyance until such time as the objection is disposed of by the CTC. It may be some time, therefore, before hearings are held by the commission and a decision is reached on contentious items of the tariff.

To my knowledge, proposed tariffs have been filed in the case of appeals against tariffs in the East Coast District, the Halifax District. I think one also is filed or about to be filed in connection with the tariff proposed for the Laurentian District, which is that region in the waters of the province of Quebec within the boundaries I have

outlined in my explanation of the various Pilotage Authorities.

Due to the reasons that I have just outlined, no new regulations or by-laws were enacted to establish compulsory pilotage areas or prescribing ships or classes of ships to which compulsory pilotage would apply.

It is believed that the proposed regulations or by-laws on compulsory pilotage areas and ships to which it applies will also be objected to by representatives of the pilots or the industry under section 14(3) of the act entailing, therefore, further delays before regulations on this subject are implemented. On February 1, 1973, when the by-laws and regulations made under the Canada Shipping Act lapse, there will be no obligation for a ship to take on a pilot. The safety of passengers, crew, ship and cargo will be placed in jeopardy. Furthermore, it is possible that the pilots' associations may call a strike to protest the refusal of ships to be piloted, and the safety of navigation will then be impaired.

Consultation has taken place with the Canadian Transport Commission, and we have been advised that the objections will be dealt with within the period of extension.

Honourable senators, this gives the complete background of the legislation before us presently, and it also outlines quite clearly the urgency which exists now and the necessity of considering this legislation without further delay.

I am grateful, as I said at the outset of my remarks, for honourable senators having granted me leave to proceed with second reading now, and I trust that the bill will be thoroughly dealt with either in Committee of the Whole or before the Standing Senate Committee on Transport and Communications. And here let me say that I am open to any suggestions in this regard, because a committee meeting can be called this afternoon. Arrangements have been made to have a witness from the department in attendance, and it is hoped that with leave of the Senate we will be able to dispose of this legislation before the end of today.

I am also informed that arrangements have been made with the Deputy of His Excellency the Governor General to attend in this chamber for royal assent at approximately 5.45 this afternoon.

Hon. Mr. Flynn: Honourable senators, before the honourable Acting Leader of the Government is deemed to have concluded his remarks, I wonder if he would kindly answer two questions. My first question, which is not intended as a criticism of him or any of the assistants to the honourable Leader of the Government is this: was it not obvious last week that this legislation would have to be passed by today? If so, why was no indication given to honourable senators that they would have to come back this week?

Hon. Mr. Langlois: Honourable senators, I think I must answer the first part of the honourable senator's question in the affirmative. It was obvious last week that this legislation would be needed in a matter of days. But why it was not introduced in this place or in the other place sooner is a question which I think the minister will have to answer. For myself I have no answer to that. However, I understand the minister will be in attendance before the committee this afternoon, if it is decided to refer the bill to committee. This question may then be put to him directly.

• (1430)

Hon. Mr. Flynn: I should like to put a second question to the acting leader before I make a few remarks. Is the root of the problem dealt with in this bill the same as that discussed in previous bills, for instance Bill S-23 in 1970, concerning the conclusion of the Royal Commission on Pilotage that there was doubt with respect to the validity of certain by-laws and regulations adopted under the then existing Canada Shipping Act?

Hon. Mr. Langlois: This has been a matter of consideration in this bill and, as I have mentioned, the bill provides that all regulations in force, or deemed or considered to be in force—and those words are used to cover those cases where some of the previous regulations made under the Canada Shipping Act were challenged before the courts, some of them even going to the Supreme Court of Canada—shall continue in force. The root of the problem lies partly there.

I hope this answers my honourable friend's question.

Hon. Mr. Flynn: I was hoping for that answer.

Honourable senators, it is rather strange that we should meet today, because we all remember that last week the Leader of the Government either himself or through the acting leader, Senator Molgat, indicated that he could not foresee any business for the Senate this week, and therefore there was no reason why we should not adjourn until February 6. To this, of course, no one has any objection. It is obvious that when senators are summoned to the Senate they should agree to come here—and this every time they are required to attend its sittings. We all know, however, that in practice there must be consideration for those days when our duties in the Senate do not require our presence in Ottawa.

The answer given by Senator Langlois indicates that it was quite clear last week, or the week before, or even a month ago, that it was necessary for this legislation to be passed by midnight tonight, and since it had not been dealt with in the other place an effort would be made to have it passed there and sent to us for this very day at least.

This is another occasion on which we see complete mismanagement of the operations of Parliament. I will not say in the present case, because I wish to be fair, mismanagement of the operations of the Senate. I do not think that anyone in particular in this chamber is responsible for this rather cruel situation in which we find ourselves, but the responsibility certainly lies with the government and with the leader of the house in the other place. It is nonsensical that suddenly, yesterday at 8 o'clock in the evening, there should have been agreement in the other place to deal with this bill in order that it be passed by this house today so that the regulations might continue in force from midnight tonight until February, 1974. The Department of Transport and the government have been unable to sit down and adopt regulations which are acceptable to all interested parties. So now they beg for another year's delay. There are no limits to this government's incompetence.

I am not criticizing in this case the Senate itself, but I think that it is mismanagement of the operations of Parliament. By the same token I would say that it is a downgrading of the Senate.

I have read the *Hansard* of the other place. I will not refer to the members there in particular, because that is against the rules, but I will say that the House of Commons passed this bill last night without knowing what they were doing, and I suggest that we are about to do the same thing here this afternoon. I say that because this is a very complex problem and the remarks of the acting leader, the sponsor of the bill, are quite relevant in this respect. In the other place the Parliamentary Secretary to the Minister of Transport offered only one sentence in support of the bill. Of course, he added a few remarks when it was dealt with in committee, but it was quite obvious that he did not want to go into the details, because it would have shown that we are faced with a very difficult problem.

It is not a new problem but one that goes back, as has been admitted by the sponsor of the bill, to 1969, when the Royal Commission on Pilotage submitted its report with respect to the validity of certain regulations and by-laws adopted under the former Canada Shipping Act. The government has not been able to disentangle itself from the problems which were raised by the commission four years ago, and is still struggling with them. Parliament is called upon to say that those regulations that may not be valid, that may not have been valid for years and years, and that have been continued in force since 1969—that is, four years—should be continued in force for another year.

I wish to read the statement of the counsel of the Department of Transport when he appeared before the Standing Senate Committee on Transport and Communications on Wednesday, June 10, 1970, to explain Bill S-23, which was an act to postpone the expiration of certain provisions of an act to amend the Canada Shipping Act referring to pilots. He said:

> Mr. Chairman and honourable senators, the report of the Royal Commission on Pilotage was received two years ago—

Note that this is in 1970.

> —and that report raised a doubt, in view of the existing provisions of the Canada Shipping Act, as to the validity of the pilotage by-laws and the pilots' licences that had been made and issued under authority of the act. In order to validate these by-laws and licences pending legislative action to correct what was not considered to be sufficient in the act, Parliament in 1969 passed an act to amend the Canada Shipping Act, which states that all the by-laws, licences and orders made under the existing provisions of the act would be deemed to have the same force and effect as if they had been made by an Act of Parliament that authorized the making of such by-laws and orders, and the issuing of such licences.
>
> That particular amendment that was made in 1969 expires at the end of June of this year—

He means June, 1970.

> —and the Department of Transport is not yet in a position to introduce corrective legislation.

[Hon. Mr. Flynn.]

• (1440)

I could go on, but it is not very relevant to what I intend to say this afternoon. I would suggest that the problem, as the sponsor of the bill indicated, has now been with us for over four years. It is a very complicated problem. The beginning of a solution has been recited in the bill with regard to the clauses which we passed in 1971, if I am not mistaken. An act to amend the Canada Shipping Act was passed in 1971. It created local Pilotage Authorities about which the sponsor has spoken.

Yet, where are we? We are asked to say that some regulations which are of doubtful validity should continue for another year, when the Senate in 1970 was very reluctant to adopt the government's proposal, and made an amendment to the bill whereby it said that these by-laws and regulations, and so on, would not continue in force later than the 31st December 1970, or such day no later than six months after the 31st day of December 1970 as might be fixed by proclamation of the Governor in Council issued before that date. That means that the Standing Senate Committee at that time considered June 30, 1971, to be the latest date on which these regulations could be considered valid, and that some action should be taken, and legislation enacted, in order to clarify this very difficult problem.

I agree. If we take the last date I mentioned, June 30, 1971, that was close to two years ago. We are now asked to provide another delay of one year until 1974.

To deal with this matter in just a few hours is a highly unsatisfactory way of dealing with a bill of such complexity. I would suggest to the sponsor, and to the Senate, that the bill be referred to the Standing Senate Committee on Transport and Communications in order that we might hear the explanations of officials. They should have an opportunity of explaining the problems, and we should be told why we should provide this additional delay.

I am not hopeful that in such a short time we shall be able to form a clear opinion concerning the problem and the method by which the government is trying to deal with it or, more precisely, not deal with it. What the government is proposing is not a way of dealing with a problem, but rather a way of sweeping its incompetence under the rug.

In any event, honourable senators, both from the point of view of the circumstances under which we have been recalled—when it was obvious that the legislation would have to be passed by today—and the complexity of the problem, which has not been explained, we are not able to give a sober second thought to this question.

It is quite obvious that the House of Commons has given no real consideration to the bill. I am not afraid to say that. I am convinced that the only reason why the Commons passed the bill last night was because of the deadline. They were told, "If you don't pass the bill by tonight, and the Senate by tomorrow night, there will be no regulations and there might be some very harsh consequences."

If I might draw an analogy, I would say that this is proceeding with the business of Parliament in a manner similar to skyjacking. We are being forced to legislate with a pistol at our heads. Of course, we will. We have no choice, as pilots have no choice but to go on to Cuba, or

anywhere else, until someone is able to shoot the skyjacker. To finish my analogy, I would hope that we also will soon be rid of those who hold the legislative deadline at our heads.

Hon. Mr. Langlois: As honourable senators have no doubt realized, this is a very lengthy question. I shall try to answer it in the best way I can without taking up too much time of the house.

The Hon. the Speaker: I regret that I forgot to mention that if the Honourable Senator Langlois speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Langlois: I do not intend to close the debate. I am merely answering questions.

First, the Leader of the Opposition mentioned that last week the Leader of the Government said in this chamber that he hoped there would be no legislation before the Senate this week. I do not want to take up his defence, because normally he is able to look after himself very well, but in the absence of the Leader of the Government I must say that I see some justification for his anticipation that no legislation would come before the Senate this week due to the situation obtaining in the other place. It is always hard to predict how things will proceed there, and how fast. It was the opinion of the Leader of the Government last week that no legislation would come before us this week. That is why he proposed the adjournment of the house until February 6.

I do not like to leave the impression—and I do not think it was the intention of the Leader of the Opposition to do so—that by this bill we are asking the Senate to remedy a situation to correct defective legislation.

The Pilotage Act, as passed a year and a half ago—I wish to make this clear—is a good measure, and the government is not changing its policy with regard to it.

The previous Parliament decided a year and a half ago to change, by a new piece of legislation, the system of pilotage then existing in Canada, which system was incorporated in the Canada Shipping Act. The Section dealing with the pilotage was removed from that act, and a special piece of legislation, now known as the Pilotage Act, was introduced and passed. It was then necessary to have in the new Pilotage Act a section dealing with regulations which had existed prior to its passage.

Had it been otherwise, and had the new system been incorporated as an amendment to the then Canada Shipping Act, it would not have been necessary to have this section extending the life of the previous regulations, because they would have continued in force until modified or amended by new regulations under the so amended act. It was a separate piece of legislation, totally separate from the Canada Shipping Act, and it was necessary to have such a section extending the life of regulations made under the former act.

We are now asking the chamber to consider a further extension of those regulations made under the old act, because it has been impossible for Pilotage Authorities to replace them by new regulations.

That is all that the bill purports to do. It does nothing else. It is a very simple bill.

• (1450)

I do not think it was intended but the impression was left, as I understood the remarks of the Leader of the Opposition—and I might have misunderstood him—that we are asking this chamber to legalize something which was done illegally in the past. We are not asking this chamber to do that. It is true that in this legislation there are provisions to take care of some of the regulations under the old act which had been challenged in the courts, but as soon as Parliament decided that those past regulations were valid, they became valid and they remained valid to date. They do not have to be legalized. This was done a year and a half ago. I do not think we should go back to that, and we are not asking this chamber to do so. That is the whole purpose of this bill. Nothing else is intended.

As to what was obvious a week ago with respect to having this bill passed before the end of the month, I agree, but I do not think I said that this was obvious a month ago. I agree that it was obvious last week.

A suggestion has been made as to why this bill was not first introduced in the Senate. I regret that that was not done. I recall that a few years ago a high percentage of legislation was introduced first in this house, and I think this was an expeditious way of dealing with government legislation. Why it was not done in this case, I do not know. It is up to the Leader of the Government and to the minister responsible for the department concerned to explain that when he comes before the committee later on today. Had this been done we would not have been obliged to come back this week to deal in a hurry with this new legislation.

To that extent, I agree fully with what the Leader of the Opposition has said. I hope we can get a full explanation as to why it was decided to deal with the legislation in this way when we have the officials of the department before the Standing Senate Committee on Transport and Communications later today. I agree with the Leader of the Opposition that we should take every precaution to avoid a repetition of this situation. The Houses of Parliament should not be considered as being at the disposal of the civil servants or others for the correction of their mistakes.

Hon. Mr. Flynn: Honourable senators, may I say one or two words more? I thought I was very careful in saying that I was not accusing the Leader of the Government—

Hon. Mr. Langlois: As I said, I might have misunderstood your remarks.

Hon. Mr. Flynn: I think I made it quite clear that the mismanagement originated in the other place. I believe I also made it clear that I was not criticizing the Pilotage Act for the creation of the local Pilotage Authorities. I simply said that the department has not yet been able to enforce the provisions of this act.

Hon. Mr. Phillips: Honourable senators, I am sure that Senator Langlois in closing his remarks did not intend to place the blame for this situation fully on the civil servants. It is a clear-cut parliamentary custom in this country that the minister is responsible for the department, not the civil servants. Therefore, I am sure that he would like to reconsider his remarks in which he very obviously

placed the blame on the civil servants. The responsibility to Parliament is that of the minister, not the public servant.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Langlois, bill referred to the Standing Senate Committee on Transport and Communications.

NOTICE OF COMMITTEE MEETING

Hon. Mr. Langlois: I wish to inform honourable senators that notices of this meeting will be distributed forthwith. The committee will convene as soon as the chamber rises. Once the committee has reported we can adjourn during pleasure to the call of the bell.

Hon. Mr. Flynn: May I add, since we are not too numerous, and since all honourable senators are entitled to be present at a meeting of a committee, that they attend whether they are members or not.

Hon. Mr. Langlois: Everyone is welcome at any committee meeting, as honourable senators are aware.

Hon. Mr. Flynn: There will not be any vote.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Statement of the Chartered Banks of Canada showing Revenue, Expenses and Other Information for the fiscal year ended October 31, 1972, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

Report of the Department of Transport for the fiscal year ended March 31, 1972, pursuant to section 34 of the Department of Transport Act, chapter T-15, R.S.C., 1970.

Text of Notes delivered to the Parties to the Agreements on ending the War and Restoring Peace in Vietnam, and the Protocols thereto. Signed at Paris, January 27, 1973.

Report of the Commissioner of Official Languages for the fiscal year ended March 31, 1972, pursuant to section 34(2) of the Official Languages Act, chapter O-2, R.S.C., 1970.

Report on operations under the Regional Development Incentives Act for the month of December 1972, pursuant to section 16 of the said act, chapter R-3, R.S.C., 1970.

The Senate adjourned during pleasure.

• (1600)

At 4 p.m. the sitting was resumed.

[Hon. Mr. Phillips.]

PILOTAGE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees:

Hon. J. Harper Prowse, Acting Chairman of the Standing Senate Committee on Transport and Communications, reported that the committee had considered Bill C-127, to amend the Pilotage Act, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Langlois: Honourable senators, I move, seconded by Honourable Senator Molgat, with leave of the Senate and notwithstanding Rule 45(1)(b), that this bill be now read the third time.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Langlois, seconded by the Honourable Senator Molgat, with leave of the Senate and notwithstanding Rule 45(1)(b), that this bill be now read the third time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: Honourable senators, we have given leave, but I would not want this decision to be held against me or against the Official Opposition. We have done what we have done because of the urgency of the situation. The other place felt that they had to do the same thing for the same reason.

At least, we had some explanations in committee this afternoon. We realize that while we could not go into the problems behind this bill in depth, whatever we would have been able to do this afternoon would not have incited us to delay its passage. The government, the department, and the Pilotage Authorities in some cases need additional delay. In my view the other place passed this bill without knowing exactly what it was doing, and only because the members there were told that it was urgent. As I say, while we know a little more about it, we really had no choice as far as the Senate is concerned.

I would merely say that in a kingdom of the blind, a one-eyed man as king you will find, and I would think the Senate in this case is the one-eyed man.

Hon. Mr. Langlois: I should like to reiterate that I am grateful to all honourable senators, and to my friend the Leader of the Opposition for having given leave to proceed with the third reading of this piece of legislation at this time. I should say that I expected no less from him because I knew he would realize, no matter who was to blame—if indeed anybody was to blame—for the delay in presenting the legislation to this house, that it is our constitutional duty, as the Upper House, to consider legislation and see that nobody suffers from any undue delay in its passage.

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

31 January, 1973

Madam,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 31st of January, 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.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, with leave of the Senate, and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Monday, February 5, 1973, at 8 o'clock in the evening.

Hon. Jacques Flynn: If Senator Langlois has nothing to say with regard to this motion, I would like to make two points. First, it must be remembered that senators who have not been able to attend today are under the impression that the Senate will meet next Tuesday, rather than next Monday. Therefore, it would be fair to advise them that the Senate is to reconvene on Monday.

My second point is that, because of the short notice given to senators with regard to today's sitting, some of them may be now en route in the belief that we will be sitting tomorrow. I wonder if some device could be found to alleviate any difficulties of that nature in the event another occasion such as this occurs? Personally, I was under the impression that, being recalled today, we probably would sit tomorrow and deal with some of the less urgent matters on the Order Paper. Some senators, however, may be on their way here, and may be very disappointed on discovering that they have come to Ottawa only to return home, there being no business tomorrow. I would urge the leaders on the other side to look into this matter.

Hon. Mr. Langlois: Honourable senators, I understand that Senator Molgat has investigated thoroughly as to legislation which may be expected to come to us next week. I will ask him to give the result of his investigation in answer to Senator Flynn's questions.

Hon. Gildas L. Molgat: Honourable senators, the decision to sit on Monday night instead of tomorrow and Friday was made in light of the fact that tomorrow and Friday we will not have any urgent matters before us. There are some inquiries on the Order Paper, but the honourable senators concerned with them are not here.

The decision to sit on Monday rather than Tuesday was made in the expectation and hope that possibly by Monday the other place will have passed, in particular, the unemployment insurance bill, which has some urgency to it. This could be passed before Friday, and that would leave us in the position of having to recall honourable senators for Monday. On the other hand, if we proceed to a sitting on Tuesday, and the bill is passed by the other place on Monday afternoon, we will not be here to deal with it. It was felt preferable, in the interests of good government and of the Senate itself, that we should be available on Monday. It may be that we will not receive the bill then, in which case we will proceed with the other matters on the Order Paper.

• (1610)

Senator Flynn suggested that honourable senators be advised of the time of the sitting. We will attempt, in the course of the next few days, to contact by telephone all honourable senators who were not here today, and advise them of the sitting on Monday night at 8 o'clock. Where we are unable to reach them by telephone, we will contact them by telegram. But to cover everyone by telegram is a costly business.

The measure which we took in warning honourable senators that the sitting today would probably be for just one day—this was anticipated but not guaranteed—was taken after conversation with Senator Flynn. We tried to reach all honourable senators by telephone and tell them what the business of the house was going to be, so that they would not expect to be faced with other legislation.

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 Gérald Fauteux, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor

General was pleased to give the Royal Assent to the following bill:

An Act to amend the Pilotage Act.

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.

Hon. Mr. Molgat: Before we adjourn I wish to remind honourable senators that we will meet Monday evening at 8 o'clock.

The Senate adjourned until Monday, February 5, at 8 p.m.

THE SENATE

Monday, February 5, 1973

The Senate met at 8 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, 1972, 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 Superintendent of Insurance for Canada, Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1971, pursuant to section 8 of the Department of Insurance Act, chapter I-17, R.S.C., 1970.

Report of the Ministry of State for Urban Affairs for the fiscal year ended March 31, 1972, pursuant to section 22 of the Ministries and Ministers of State Act, part IV of chapter 42, Statutes of Canada, 1970-71-72.

Report of the Joint Study Group on Basic Rate of Pension, dated November 1, 1972.

Report of the Department of Manpower and Immigration for the fiscal year ended March 31, 1972, pursuant to section 5 of the Department of Manpower and Immigration Act, chapter M-1, R.S.C., 1970.

Report of operations under the Municipal Improvements Assistance Act for the year ended December 31, 1972, pursuant to section 11 of the said act, chapter M-16, R.S.C., 1970.

Copy of Response to Synopsis Report of the Hearing Officer, pursuant to section 8(4)(d) of the Expropriation Act, chapter 16 (1st Supplement), R.S.C., 1970, respecting the new Toronto Airport.

Statement, dated January 30, 1973, by the Minister of Transport on the site selection for a second Toronto-centered region international airport.

Report of operations under the Crop Insurance Act for the fiscal year ended March 31, 1972, pursuant to section 13 of the said act, chapter C-36, R.S.C., 1970.

Copies of correspondence addressed to the Prime Minister of Canada with respect to the 1976 Olympic Games by (1) C.O.R. Rousseau, Esq., President and Commissioner General, Organizing Committee for the Olympic Games, dated February 1, 1973; (2) Jean Drapeau, Esq., Mayor of the City of Montreal, dated February 1, 1973; and (3) Robert Bourassa, Esq., Prime Minister of the Province of Quebec, dated January 31, 1973.

Report of operations under the Government Annuities Act for the fiscal year ended March 31, 1972, pursuant to section 16 of the said act, chapter G-6, R.S.C., 1970.

DISTINGUISHED VISITORS IN THE GALLERY

NISGHA TRIBUNAL DELEGATION FROM BRITISH COLUMBIA

The Hon. the Speaker: Honourable senators, I wish to call attention to the presence in the gallery tonight of the Nisgha Tribunal Delegation from British Columbia.

The leader is the Honourable Frank Calder, M.P.P., President of the Nisgha Tribunal Council, Minister without Portfolio in the British Columbia Government. The other gentlemen are all Vice-Presidents of the Nisgha Tribunal Delegation: Chief William MacKay, Councillor of Greenville, Chief James Gosnell, Councillor of New Aiyansh, Chief Hubert Doolan, Councillor of new Aiyansh, Chairman of Nisgha Tribunal Delegation, Chief Maurice Nyce, Councillor of Canyon city and Chief the Reverend John Blyth, delegate. We welcome them.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—FIRST READING

Hon. Donald Cameron presented Bill S-2, a bill to amend the Criminal Code, (control of weapons and firearms).

Bill read first time.

Hon. Mr. Cameron moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

VIETNAM

CEASE-FIRE AGREEMENTS—CANADA'S ROLE IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—QUESTION

Hon. Mr. Forsey: Honourable senators, I should like to ask the Leader of the Government a question of which I gave notice at his office this afternoon.

Is it the intention of the government to provide for a debate in this house on the Vietnam cease-fire agreements? I ask particularly because in the debate in the other place there were some remarkably foolish statements made on which, it seems to me, it might be useful to have the sober second thought of this house.

• (2010)

Hon. Mr. Martin: I did not see my honourable friend's letter, and I am sorry that I did not speak to him about this earlier. However, it is my intention tomorrow to move a resolution that will provide for this house the opportuni-

ty of discussing the question of the International Supervisory Commission in Vietnam.

PENITENTIARIES

INMATES AUTHORIZED TEMPORARY ABSENCE—INQUIRY ANSWERED

Hon. Earl Hastings inquired of the government pursuant to notice:

1. As at November 30, 1972, what was the number of inmates authorized to be temporarily absent on a regular basis from each federal institution by authority of the Penitentiaries Act for the purpose of:

(a) pre-release employment

(b) regular employment

(c) educational purposes

(d) other.

Hon. Paul Martin: Answered.

(*For text of answer see appendix A, p. 176.*)

DEATHS OF INMATES—INQUIRY ANSWERED

Hon. Earl Hastings inquired of the government pursuant to notice:

2. For the twelve-month period ending December 31, 1972, in respect to each inmate death in federal institutions under the Penitentiaries Act, what was:

(a) the name and number of the inmate

(b) the date of death of the inmate

(c) the age of the inmate

(d) the cause of death of the inmate

(e) the sentence being served by the inmate

(f) the institution where death occurred.

Hon. Mr. Martin: Answered.

(*For text of answer see appendix B, p. 177.*)

SCIENCE POLICY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Donald Cameron moved pursuant to notice:

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

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

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

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

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

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

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

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

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

He said: Honourable senators, I should like to say a few words in support of this motion. Senator Lamontagne is in the house tonight, and I had hoped that he would have proceeded in my place because originally I was simply moving the motion on his behalf. However, he has asked me to proceed, and he will participate in the debate later.

Hon. Mr. Grosart: Honourable senators, I rise on a point of order. I am confused, because it seems to me a motion is being moved under Notices of Motions. I thought this matter had been resolved. Surely the motion should be moved in its proper place on the Order Paper, when it is called as an order of business.

The Hon. the Speaker: It is my understanding that there was notice of this motion given at the last sitting.

Hon. Mr. Grosart: Your Honour is quite correct in saying that a notice of motion has been given, but surely our order of business requires that motions be moved and spoken to only under Motions. If I may say so, the whole purpose of the Rules Committee in putting Motions to the bottom of the Order Paper was to make sure that the Orders of the Day would be called before motions were moved and discussed.

The Hon. the Speaker: I was under the impression that I called for Motions. In fact, I did call for Motions.

Hon. Mr. Grosart: I am sorry. I did not hear the Orders of the Day called.

Hon. Mr. Flynn: There were none. The item was called, but there were none.

The Hon. the Speaker: The Orders of the Day were called and the Clerk Assistant bowed, indicating there were none.

Hon. Mr. Cameron: Apropos of Senator Grosart's intervention, I did give notice of motion, and I was prepared to proceed with this motion on Thursday, January 25. The Leader of the Opposition, Senator Flynn, asked me whether it would be inconvenient if I deferred it until this week. In consultation with Senator Molgat, who was acting leader at that time, it seemed that there would be no difficulty, and it was agreed accordingly.

Honourable senators, the work of the Special Senate Committee on Science Policy has had an enthusiastic response from people in industry and technology in Canada. These people have been warm in their praise of that work, and particularly of Volume 2 of the committee's report, released in January 1972.

I would like to say that one of the main thrusts of the recommendations in Volume 2 was aimed at improving the innovative effectiveness of Canada's productive sector. It is hardly necessary to justify this emphasis, in view of our present concern regarding unemployment, industrial strategy, and the many future problems which will surround international trade.

Furthermore, the Senate committee realized that there would be an increasing demand for the improvement of many activities deeply ingrained into the daily life of Canadians. Health care, housing, pollution, education and training, nutrition, are some of the areas of concern.

It should be noted, however, that the productive sector in Canada will have to be effectively engaged in supplying the tools, the materials, and even the processes which will be required to ameliorate the problems in these areas. Therefore, an innovative productive sector is not only a requirement for the effective provision of goods and services purchased by individual consumers, but is also a prime requirement for meeting these new or more visible collective needs.

One must be careful, in discussing problems such as science policy, to note clearly that there is often an important difference between "life at the level of abstract discussion" and "life at the level at which it is actually lived." With regard to innovation in the productive sector, "life at the level at which it is actually lived" will be an important concern of individual firms, and of the engineers and scientists who must design and develop products which will satisfactorily meet human needs. Therefore, it is useful to review briefly the response to the recommendations contained in Volume 2 of the committee's report from those who have first-hand experience and knowledge in innovation from the firing line, from those who know innovation as it is actually practised. What do industrial associations, individual firms, and associations of engineers think of the last report of the Senate Special Committee on Science Policy?

Honourable senator, I do not intend to go into detail with respect to these recommendations, but I must say that the resolutions endorsing, and warmly endorsing, the report and its recommendations have come from such agencies as the following: the Association of Professional Engineers of Ontario; the Canadian Council of Professional Engineers; the Alberta Society of Petroleum Geologists; the Pharmaceutical Manufacturers Association of Canada; the Electronic Industries Association of Canada; the Canadian Electrical Manufacturers Association; the Association of Consulting Engineers of Canada; the Canadian Manufacturers' Association; and from Dr. Alexander King, the Director General of the OECD.

I would like to quote the following paragraph from an article that Dr. King wrote on the report:

• (2020)

> I have great hope that Canada will be a pathfinder in the exploration of the new areas of human and social possibility, and I look forward to the third volume of the report as a further stimulus.

In this connection I might say that seldom has a Senate committee been involved in a wider discussion with representative Canadians than has been the case as a result of Volume 2 of the Science Policy Committee's report. Senator Lamontagne, Senator Grosart and I have each spoken at 20 or 25 meetings or conventions of major organizations to which we were invited. From this discussion, this questioning and this dialogue, we have had a wide and extensive interchange of ideas. In many cases we have had recommendations for modifications in the report—modifications which have improved those recommendations greatly.

The point I want to make is that as a result of the intensive dialogue that has been established in the last year and a half there has been a broadening of the knowledge of what the report was intended to do, and there is now a broader understanding on the part of many Canadians of the importance of this vital subject.

Honourable senators, I warmly commend the adoption of this motion to you. Both Senator Lamontagne and Senator Grosart are here and I realize that they may wish to participate, but I should like to conclude what I have to say with a quotation from an article by the distinguished scientist, Sanford A. Lakoff, in the January issue of *Science*:

> To make matters more complicated, there are Canadians who have serious reservations about the fundamental proposition underlying the recommendations of the Lamontagne Report—that is, about the belief that, one way or another, the future of the country depends upon its success in the "international scientific and technological race." Two highly respected Canadian thinkers—

And I am sure Senator Flynn will be delighted to know that they are distinguished Conservatives.

> Two highly respected Canadian thinkers, philosopher George Grant and historian Donald Creighton, maintain that for Canada to follow such a course would be an act of the gravest folly. They argue that if Canada follows the example of the United States—which, in their view, pursues a spiritless quest for material welfare by the relentless expansion of technological capacities—the country will forego all chance of developing an alternative life-style on the North American continent. If that should come to pass, they ask, what will become of the very premise of Canadian nationhood?

I did not know that George Grant or Donald Creighton could be that pessimistic. The article continues:

> Beset by the shrill accusations of radical nationalists, on the one side, and the troubling, if quieter, laments of philosophic conservatives, on the other, pragmatic Canadian politicians must somehow thread their way through to an effective and acceptable science policy. To the extent that they succeed, the work of the Lamontagne committee could prove to

have been an important milestone not only in Canadian history, but in the universal effort to make science and technology the instruments of thoughtful planning in the public interest.

Hon. Jacques Flynn: Honourable senators, I have no quarrel with what Senator Cameron has said with regard to reconstituting the committee. My only reason for asking that the motion stand until today was that we might have a description of the task that the committee wanted to complete. It seems to me that this motion is the same as that moved when the committee was first constituted, and I was under the impression that the purpose of reconstituting it at this time was merely to complete the work to be done. I understand there is a final volume of the report to be prepared, together with the classification of the material that has been gathered. If this is the case, then I have no objection. But from reading the motion, one gets the impression that the committee is going to start all over again, and review what has already been done.

The motion contains the following:

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

It would seem to me that all this has already been done, and that the only thing left for the committee to do is to complete its report and bring it before the Senate.

Hon. Mr. Prowse: They have to do it over until they get it right.

Hon. Mr. Flynn: That is what I was worried about. I was wondering if perhaps the committee had had second thoughts about some of the things said in the first and second volumes of its report, and wanted to review all this and start all over again, thereby making it a permanent committee.

Honourable senators, I think the motion is badly drafted if it is only intended that the committee should be reconstituted to complete the work already begun. I shall be satisfied with an explanation that it is to be reconstituted for only one purpose, and that is to complete the preparation of the final volume of the report and the classification of the material.

[*Translation*]

Hon. Maurice Lamontagne: Honourable senators, I wish first to thank the Leader of the Opposition for the interest he takes in the work of the committee. I am very pleased to tell him, before going any further, that it is certainly not my intention to start all over again on the work that has already been accomplished, and which was lengthy and difficult and required a great deal of dedication from the members of the committee, including its chairman, and I do not think that we of this house would wish to start all over again on things that have already been done.

[*English*]

Honourable senators, the reason we have put the same motion on the Order Paper is simply that we have a very good precedent for doing so. This motion has now been moved on three occasions—at the beginning of each session—since the committee was first constituted. Therefore, we thought it necessary to do the same thing at this time, since committees die at the end of each session.

• (2030)

Hon. Mr. Flynn: I do not think so.

Hon. Mr. Lamontagne: So, we had to reconstitute the committee at the beginning of each session, and we put the same motion on each occasion.

Hon. Mr. Flynn: On this point, may I draw the honourable senator's attention to the fact that the rules were changed. We used to appoint committees for the duration of one Parliament. We have changed the rules to provide for the appointment of committees at the beginning of each session. I am not too sure, but I do not think this motion has been put at the beginning of each session.

Hon. Mr. Lamontagne: I am quite sure of that, and if you wish to go through the records you will discover this is true. I know, since I had to move the motion. This is the reason why we decided to move the same motion again on this occasion.

I assure the Leader of the Opposition, as I told him in French, that we do not want to go back and do the work which has already been done.

We are preparing a third volume of the report which will deal exclusively with the organization of government machinery for the formulation and implementation of science policy. Although I am in the hands of the committee, I would hope that this will terminate the work of the committee. As honourable senators know, we received many requests throughout our inquiry that this kind of exercise become a permanent operation of the Senate. All the witnesses who appeared before our committee pleaded with us to make this a permanent arrangement.

It will be remembered that this was the only recommendation in Volume 1. It has not been discussed in this house, and I would hope that once the third volume is produced we will have occasion to discuss it in order to determine whether the committee as it stands now, or in another form, should continue the operation which was begun some years ago.

Hon. David A. Croll: Honourable senators, I do not wish to say anything about the committee. The Leader of the Opposition came to the point very quickly when he raised the matter and I think he is right. However, I wish to raise another matter entirely.

This is a very important committee. It has a great deal of work ahead of it. It is costing a great deal of money and it needs the full attention, not only of the members of the committee, but of the chairman as well. I presume that Senator Lamontagne will be chairman of the committee, and I think that is proper. I received notice today that there will be a meeting tomorrow of the Standing Senate Committee on Health, Welfare and Science of which he is also the chairman. I asked him if he was going to stand as chairman of this committee and he said he is being urged by the Leader of the Government to do so. I protest. I protest as strongly as I can against any member of the Senate holding the chairmanship of a standing committee as well as the chairmanship of a special committee.

There are a dozen members of the Senate ready and available at this moment to chair the Health, Welfare and Science Committee, and another dozen in the wings. They should be given their chance and opportunity. These positions should not be given to a small group of members of the Senate.

I mention this now, because this is the only opportunity I shall have to suggest that in fairness to the Senate, and in fairness to himself, Senator Lamontagne should not be a candidate for the chairmanship of the Health, Welfare and Science Committee so long as he is chairman of this special committee.

Hon. Allister Grosart: Honourable senators, as a member of the committee from this side of the house I rise merely to support Senator Cameron's motion and the remarks of Senator Lamontagne, the chairman of the committee. It is obvious that the motion is worded normally, that is to say, in the original terms which, as far as I can recall, is the normal method of reconstituting a committee in this place. I see nothing unusual in that. I think it would be perhaps unusual for the committee to ask for lesser powers than those normally given.

Hon. Mr. Martin: Would Senator Grosart permit me a question? I fully agree that this is a very important committee, but is it the intention to call witnesses once the committee is constituted, or is this simply to enable the committee to complete the very important third report?

Hon. Mr. Grosart: Of course, I am not in a position to say whether it is the intention of the committee to call witnesses. The point I was making was that if the committee needs to call a witness, surely it should have that power. If it did not have that power, it would probably be the first special or standing committee appointed by this chamber that did not have the power to call witnesses. The chairman could answer that, but he has already said that it is the intention to complete Volume 3 and, upon its completion, report to the Senate.

I would remind honourable members of the Senate that in the last Parliament this committee was given a very specific major responsibility.

I will wait until the discussion on the other side is over.

Hon. Mr. Croll: I am not in on it. Do not blame me.

Hon. Mr. Grosart: No, but I was responding to a question by the Leader of the Government, and I thought he might care to listen to my answer. I was saying that it may be forgotten that this committee in the last Parliament was requested to conduct a very important inquiry into the possibility of calling a convention to consider the establishment of a Canadian Commission on the Future. Of course, it will be entirely up to the Senate whether it reviews that charge to the committee to call a convention. The committee had already started some work on that, and I just call it to the attention of the Senate that we are in that position. No doubt Senator Cameron and Senator Lamontagne will in due course bring this matter to the attention of the Senate.

I think it should not be assumed that the Science Policy Committee will automatically fold up. As Senator Lamontagne said, the almost insistent recommendation in scores—and I am not exaggerating when I say "scores"—of briefs was that the Senate should maintain a committee on science policy. There were good reasons for that. Now, whether this should be a standing committee or a continuation of the special committee, of course, is for the chamber to decide.

I would not like the assumption to get abroad here, so far as I am concerned, that I am at this time acquiescing in any suggestion that this committee has necessarily finished its work and should fold up its tent and quietly steal away. This may be what it will do, but I would not want it to be on the record that this is the assumption at the moment. I do not know what the future work of this committee will be, but it has been said over and over again that the effectiveness of this committee—and it has been effective; I doubt if there has been another committee of this Parliament which has had a large proportion of its recommendations implemented by the government—lies in the fact that we have remained on the job after our reports. We have been able, in the kind of confrontations that Senator Cameron referred to, to insist that these recommendations be given consideration at the appropriate levels.

• (2040)

It has been said that one of the reasons why the committee has been more effective than a royal commission is that we did not fold up. Our recommendations were not simply put on the shelf and left there. We remained as a committee, and we were able to insist that our recommendations be given consideration. One of those recommendations resulted in a minister of state being appointed to take charge of this great problem of science and technology. The announcement by the government that it intends to have a series of industrial strategies is in direct response to a major recommendation of the committee.

Finally, may I say that the official body representing science in Canada, SCITEC, is one that I might add to the list given by Senator Cameron of those who have endorsed the work of this committee.

SCITEC, representing the whole field of science in Canada—academic, industrial, and government—accepted all but two of the committee's recommendations in Volume 2. I think there were about 55 recommendations, and all but two were endorsed by that official body. Honourable senators, that is an achievement.

The greatest credit must go to Senator Lamontagne. This committee is known and praised all over the world as the Lamontagne Committee. That is a fact. Members of the committee are even now being invited to attend international conferences, in Europe and elsewhere, as members of the Lamontagne Committee.

Hon. Mr. Flynn: Honourable senators, I rise on a question of privilege. The comments of Senator Grosart implied that I had been critical of the work of the committee. I wish to make it clear that I admire the work of the committee as much as any member. I merely wished to be clear as to the terms of reference. If this is to be a permanent committee, I think the motion should be worded differently from the one we have before us. That is the only point I made. I do not wish to be misunderstood.

Hon. Mr. Grosart: In order that I too may not be misunderstood, may I say that no one in this house admires

Senator Flynn's role as a watchdog of all our proceedings, including those of the committees, more than I do. Not for one minute, in my rather vigorous answer, did I assume that he was in any way criticizing the committee.

It is unfortunately necessary that Senator Flynn be on the alert at all times, because he never knows what may be suggested from the other side that needs to be examined critically.

Hon. Paul Martin: Honourable senators, it will not be necessary for me to take up much time of the house to defend the Leader of the Opposition. I did not detect in his remarks anything that implied criticism of what this committee has done. He asked what I considered to be a legitimate question, and one that was certainly in my own mind.

The committee, if constituted, may take whatever steps it wishes, but it was not intended that it should do anything more than prepare the third report. If that was so, the wording before us seems unusual and, in the circumstances, unnecessary.

That is the point which I think the Leader of the Opposition was making. Certainly it was the point in my own mind. If the committee is constituted under the present wording, and it is desired to call witnesses, then that is a matter for the committee to decide.

I do not think that in this discussion any honourable senator is belittling the work of the committee, and we should not do so. Our applause a few moments ago, when Senator Grosart paid tribute to Senator Lamontagne, indicated our appreciation of the work of the committee and particularly the leadership of Senator Lamontagne.

There is no doubt that the committee has made a significant contribution. As has already been said, many of its recommendations have been accepted by the government. It has become an authoritative voice in many parts of the country, and, from clippings I have seen, in many parts of the world.

The committee is a credit to the Senate. I wish that the person who wrote the article that appeared in the *Financial Journal* last week—which I saw for the first time this morning—would look at the work done by the Special Committee of the Senate on Science Policy. The article criticized the Senate unfairly and, by implication, some of its members. If the author would look at the work done by this one committee, at the standing it has acquired among universities and all levels of government, he would see that the committee is a credit to its members, to its chairman, and to this House of Parliament.

The discussion here has been useful in that we have been able to pay tribute to the committee. It is possible that during the course of the session we shall have information on the proposal made during the last session of Parliament. I am wondering whether that proposal has been dropped or whether it is going to be put forward in another way. At some point during the session it would be useful if we received some information regarding that proposal.

As Senator Lamontagne has said, the recommendation in the first volume concerning the setting up of a permanent committee is a matter which has yet to be decided. So far we have had only a general discussion on the first report.

[Hon. Mr. Grosart.]

There is no doubt that Senator Lamontagne and his colleagues have done an outstanding job. Everyone has not agreed with the committee's findings. Some members of the National Research Council, some very eminent scientists, have taken issue with some of the recommendations; but in the field of human affairs, one cannot expect full support for every position that is taken.

Motion agreed to.

• (2050)

LEGAL AND CONSTITUTIONAL AFFAIRS

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

Hon. H. Carl Goldenberg moved pursuant to notice:

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

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

That the papers and evidence received and taken on the subject in the third and fourth sessions of the 28th Parliament be referred to the Committee.

Hon. Mr. Flynn: I should say, for clarification of the record, that I have no objection to the motion as worded. The committee has not, in fact, completed the hearing of witnesses, and so forth, which was commenced during the 28th Parliament. That is the difference between this and the previous motion.

Motion agreed to.

INCOME TAX

NEWSPAPER ARTICLE—QUESTION OF PRIVILEGE

Hon. L. P. Beaubien: Honourable senators, if there is nothing else before the house I would ask leave to say a few words on a question of privilege.

First of all, I should like to say to Your Honour that I have listened with great interest to all the compliments that have been paid you. I feel that if I wait any longer before expressing my pleasure in seeing you occupy the high office of Speaker of this chamber there will be nothing left to say. So, Your Honour, I agree with everything that has been said, and I want to add that I am your devoted servant.

Honourable senators, I was somewhat disturbed by an article which appeared about ten days ago in the *Wall Street Journal* concerning the work of the Senate on Bill C-259. Our works on that legislation, of course, started a year and a half before the bill actually came to us, when

we examined the White Paper on Taxation, which was a rough draft embodying all the changes, and so forth, contemplated in our taxation system.

After our study of that white paper, Bill C-259 came before us. The Standing Senate Committee on Banking, Trade and Commerce held 55 public hearings on the white paper, and we made a careful study of all the various changes in our taxation system. It was as careful a study as had ever been made in Canada or, for that matter, anywhere in the free world.

The Standing Senate Committee on Banking, Trade and Commerce, as honourable senators are aware, held 28 public hearings on Bill C-259. The House of Commons held none. We went through the bill with a fine tooth-comb. We made eight major recommendations, none of which had anything to do with policy. The Senate has never pretended, because it is not an elected body, to set the pace for our taxation policies. The man on the street can vote the government out if he does not agree with its taxation policies, but we in this chamber cannot be voted out and for that reason we have never tried to set policy. We have tried, however, to take the policy which is set in the other place and make it read in such a way that the application is going to be what is really intended. In Bill C-259 there were eight major areas where the drafters of the bill made serious errors. The Senate recommended and insisted on amendments to correct these mistakes.

Bill C-259 came to us in the dying days of the Third Session of the 28th Parliament. It came to us at a time when a good many of the people who had done the bulk of the work on it in this chamber had gone away because of plans made well in advance of its arrival. I, for one, thought at that time it would be better to pass a bad bill with the assurance that the amendments which we felt were essential would be passed. As it turned out, we were wrong. As far as the Senate of Canada is concerned, we were terribly wrong. We passed the bill with the assurance that these amendments would be made and, of course, no attempt was ever made to pass them. The amending bill was introduced in the other place in May or June of 1972, but never received any serious consideration. I do not think it even received second reading.

We are in the situation now where public companies are holding their annual meetings. If they are manufacturing companies they calculate their rate of tax at 40 per cent, which is not the law. For example, I know of an open-end investment trust—and it has been an open-end investment trust for 25 years—which, because of a definition in the Income Tax Act, is now deemed to be a private company. That is not the only one. A great many companies are having tremendous problems as a result of this poor draftsmanship.

What is it we are doing wrong? What is it that the Senate is doing wrong? We could not have done our homework more efficiently. We could not have worked, in my opinion, more diligently. I do not think we could have had a better committee.

The newspapers, in looking at our committee and the work it did, just asked, "How many directorates do the senators on the committee hold?" What has that got to do with the results of our work? What has that got to do with the study that we made and the effort we put into it? Would people with no directorates, and knowing nothing about the problems involved, have done a better job? I think anyone looking at the results in the other place would have to agree that our committee did a much better job. As far as I am aware, the problems that our committee brought to light were never even considered in the other place.

Honourable senators, surely it is time for us to sit back and take stock. Who are we? Well, every vote in this house is worth about five votes in the other place. We have every power. We are perfectly independent. We are not subject to the whims of the public. We do not have to go out and kiss babies, and so forth, in order to get re-elected. We are here. We have a lot of ability and talent. All we have to do is use it.

• (2100)

I am not saying that we should decide to run the whole show, or that we should put the government of the day in a difficult position. Over the long years the Senate, I think, has done its best work when the government of the day has been in a minority position in the Senate, simply because the Senate has been more insistent that necessary amendments be passed. But that is not necessary. We can do the work. We have the people here to do the work, and we are perfectly willing to do it.

We spoke tonight about the good work which was done by several of our committees. However, there is a committee that we have not got and that is a good publicity committee with a topnotch man to look after it. When we have worked hard for months and produced something that really makes sense in the tax field, how can we explain to some young reporter who sits in the gallery what we are talking about? We should have a capable person to run our publicity, one who will, without any need to exaggerate, put across to the public the work that we are capable of doing, that we are doing and that we get no credit for.

I do not know how many of you read the article to which I referred. The *Wall Street Journal* is read all over the world, and that particular article made us look like ninnies. It said that we looked at Bill C-259 and passed it in three days. There is nobody in the other place who knows as much about Bill C-259 as our Standing Senate Committee on Banking, Trade and Commerce, and I include the former Minister of Finance.

Honourable senators, let us have a publicity committee that will make it clear to everyone that the Senate does a great deal of very useful work.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(See p. 170)

PENITENTIARIES

NUMBER OF INMATES ON TEMPORARY ABSENCES GRANTED ON A REGULAR BASIS AS OF NOVEMBER 30, 1972

		*Pre-release Employment	Regular Employment	Educational Purposes	*Other	Total
ATLANTIC						
Minimum:	Dorchester Farm Annex	0	1	0	0	1
Medium:	Springhill Institution	0	0	1	0	1
Maximum:	Dorchester Penitentiary	0	0	0	0	0
C.C.C.:	Carleton Correctional Centre	0	0	0	0	0
	Parr Town Correctional Centre	0	3	0	2	5
		0	4	1	2	7
QUEBEC						
Minimum:	Ste. Anne des Plaines	0	0	0	1	1
	Laval Minimum Institution	0	0	1	0	1
Medium:	Federal Training Centre	0	0	0	0	0
	Cowansville Institution	0	0	0	0	0
	Leclerc Institution	0	0	0	0	0
Maximum:	Quebec Regional Medical Centre	0	0	0	0	0
	Quebec Reception Centre	0	0	0	0	0
	Archambault Institution	0	0	0	0	0
	Correctional Development Centre	0	0	0	1	1
C.C.C.:	St. Hubert Centre	27	16	2	9	54
		27	16	3	11	57
ONTARIO						
Minimum:	Millhaven Minimum	1	1	0	0	2
	Collins Bay Farm Annex	0	1	2	1	4
	Landry Crossing Correctional Camp	0	1	0	0	1
	Beaver Creek Correctional Camp	6	8	0	3	17
	Joyceville Farm Annex	3	5	5	12	25
Medium:	Collins Bay Institution	0	1	6	1	8
	Joyceville Institution	0	0	0	0	0
	Warkworth Institution	2	0	0	2	4
Maximum:	Regional Medical Centre (Ont.)	0	0	0	0	0
	Regional Reception Centre (Ont.)	0	0	0	0	0
	Millhaven Institution	0	0	0	0	0
	Prison for Women	0	11	4	0	15
	Kingston Services Centre	0	0	0	0	0
C.C.C.:	Montgomery Correctional Centre	14	0	0	0	14
		26	28	17	19	90
WESTERN						
Minimum:	Stony Mountain Farm Annex	0	0	1	1	2
	Saskatchewan Farm Annex	1	0	0	1	2
	William Head Institution	1	3	7	10	21
	Agassiz Correctional Camp	4	7	9	0	20
Medium:	Stony Mountain Institution	0	0	2	0	2
	Drumheller Institution	1	21	0	5	27
	Matsqui Institution	10	14	5	33	62
	Mountain Prison	0	1	0	12	13
Maximum:	Saskatchewan Penitentiary	0	3	0	0	3
	British Columbia Penitentiary	0	0	0	0	0
	Regional Medical Centre (Western)	0	0	0	0	0
C.C.C.:	Osborne Centre	0	8	0	5	13
	Oskana Centre	3	1	0	0	4
	Scarboro Correctional Centre	6	6	2	0	14
	Grierson Correctional Centre	5	5	1	0	11
	West Georgia Correctional Centre	5	0	2	13	20
	Burrard Correctional Centre	0	1	1	3	5
		36	70	30	83	219
	TOTAL:	89	118	51	115	373

NOTE: Pre-release employment—last three months of incarceration.
Other—means volunteer work, behavioural therapy, induction period in Community Correctional Centre, etc.

APPENDIX "B"

(*See p. 170*)

DEATHS OF INMATES—FEDERAL INSTITUTIONS—1972

No.	Name	Date of Death	Age	Cause of Death	Crime	Sentence	Institution
5930	Cofsky, S.	14/ 1/72	37	Suicide by hanging	Non-capital Murder	Life	Archambault Inst.
7559	MacMillan, I.	18/ 1/72	24	Suicide by hanging	Car Theft	2 yrs.	St. Vincent de Paul
4457	Haggerty, J. A.	25/ 1/72	31	Murdered while unlawfully at large	B.E. & T.; Robbery	6 yrs.	West Georgia Centre
7221	Junnila, J. J.	16/ 3/72	19	Cardiac arrest presumably caused by overdose of drug obtained from unknown source	Escape; B.E. & T.; Theft	2 yrs., 6 mos., 10 days	Collins Bay Inst.
1783	Bowden, J.	22/ 3/72	42	Heart attack	Possession	2 yrs.	Stony Mountain Inst.
6417	Polvliet, C.	7/ 5/72	61	Acute myocardial infarct	Theft; Fraud	3 yrs.	Mountain Prison
5588	Dussault, P.	13/ 5/72	19	Killed while resisting arrest	Escape; Parole forfeiture	3 yrs.	Archambault Inst.
773	Reynolds, H.	31/ 5/72	40	Self-administered overdose of drugs	Poss. Narcotics; Trafficking in Narcotics	5 yrs.	Prison for Women
7233	Morrissette, N.	13/ 6/72	32	Suicide—severed arteries	Habitual criminal	Prev. Detention	St. Vincent de Paul
1863	Shaw, J. A.	2/ 7/72	38	Auto accident while on temporary absence	B.E. & T.; Property obtained by crime	1858 days remanet & 3 years	Collins Bay Inst.
363	Meunier, C.	5/ 7/72	47	Auto accident—on T.A.	Robbery	14 yrs. & 249 days	Cowansville Inst.
3915	Gingras, A.	7/ 7/72	73	Generalized carcinoma	Arson	8 yrs.	Cowansville Inst.
7372	Gardiner, G.	13/ 7/72	60	Carcinoma of stomach	B.E. & T.; Unlawfully at large	712 days	Collins Bay Inst.
5534	Hicks, W. B.	15/ 7/72	50	Massive stroke	Non-capital Murder	Life	Collins Bay Inst.
7583	Scharbrodt, J.	5/ 8/72	25	Injection of unknown substance	Assault	7 yrs.	Collins Bay Inst.
1925	Findlay, G.	3/ 9/72	31	Massive brain hemorrhage	Forcible confinement	4 yrs.	Dorchester
4160	Joy, R.	18/10/72	27	Shot while unlawfully at large	R.W.A. Parole forfeiture	10 yrs., 825 days	Leclerc Inst.
3739	Erickson, G.	8/11/72	29	Accidental death; set fire to clothing	Attempt murder	5 yrs.	St. Vincent de Paul
1330	Dion, L.J.	17/11/72	52	Killed by an inmate	Murder	Death; Commuted to life	Archambault Inst.
3164	Redhot, G.C.	21/11/72	25	Result of a suicide attempt by hanging	Robbery with violence	6 yrs.	Saskatchewan
6780	Chiasson, L.	21/11/72	66	Heart attack	Murder	Life	Archambault Inst.

No.	Name	Date of Death	Age	Cause of Death	Crime	Sentence	Institution
7604	Coles, J.	2/12/72	22	Suicide-hanging	Armed robbery; Escape	30 months	St. Vincent de Paul
6721	Hickey, H.D.	5/12/72	27	Stab wound during hold-up while U.A.L.	Robbery	619 days and 2 yrs.	Joyceville Farm Annex
8107	Marciniak, A.	5/12/72	21	Suicide-hanging	Theft; Conspiration	2 yrs., 730 days	Federal Training Centre
3070	Bazie, E.	26/12/72	23	Suicide-hanging	Break prison Theft over $50.00 Parole Violation	621 days and 3 yrs.	Saskatchewan

SUMMARY

Suicides	7
Murdered while unlawfully at large	2
Natural causes	10
Killed while resisting arrest	1
Killed while committing crime	1
Killed in auto accident	2
Accidental death while in institution	1
Murdered while in institution	1
	25

THE SENATE

Tuesday, February 6, 1973

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

Prayers.

BANKING, TRADE AND COMMERCE

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 a report of the total amount of special expenses incurred in the Third and Fourth Sessions of the Twenty-eighth Parliament in connection with the examination of the Summary of 1971 Tax Reform Legislation.

NATIONAL FINANCE

CHANGE IN COMMITTEE MEMBERSHIP

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

That the name of the Honourable Senator Yuzyk be substituted for that of the Honourable Senator Choquette on the list of senators serving on the Standing Senate Committee on National Finance.

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

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

That the name of the Honourable Senator Choquette be substituted for that of the Honourable Senator Yuzyk on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE ADJOURNED

Hon. Donald Cameron rose pursuant to notice:

That he will call the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

He said: Honourable senators, in opening this discussion on the economics of transportation in Canada and the new technology, I am motivated because this is one of the most important elements in the cost structure of our whole Canadian economy.

I am also aware of the fact that just recently the three Western provinces in Canada have set up, to quote from the *Edmonton Journal* of Thursday, February 1:

> . . . a council "to break the bottlenecks" in transport routes so that grain, potash, sulphur, coal and other western resources can move to markets faster.

• (1410)

There is probably no area of the Canadian economy in which the application of new technology and new methods will pay greater dividends than the area of transportation. There is no other country in the world where transportation plays a greater role in determining the cost of production of any given item. In spite of this, Canadians are probably doing less and spending less money on transportation research than any other country of comparable size in the world.

In the course of this discussion, I am going to limit what I have to say to the question of mobility of people, or transportation as it affects passenger services by trains and airlines. I will leave the very important question of freight rates to some of my colleagues who are more competent than I am to deal with this—and I think particularly of Senator Manning who, when he was Premier of Alberta, had a constant watching brief in Ottawa on this question of freight rates, and who is well qualified to do it.

May I say that eight or nine senators have indicated they will participate in this discussion, which is an indication of the broad general nature of the topic.

The mobility of people is not only a very important element in the cost of production of our exports, but it also is a vital factor in permitting Canadians to know their own country and, as a result of seeing the country and meeting people who live in its diverse parts, to develop that increasing pride and understanding which can come about only through first-hand observation.

Canada is a particularly difficult country to see. It is so large—4,000 miles from sea to sea—that its very magnitude contributes to the factor of isolation which the Prime Minister spoke about some short time ago.

Again, most of our population is concentrated within a 150-mile strip along the American border. This means that our small population of under 22 million is scattered along a narrow corridor stretching over 4,000 miles, with the odd isothermic lines peaking up into the north, as we find it in Northern Alberta and Northern British Columbia, where the traffic into the Northwest Territories and the Yukon is becoming a factor of increasing importance on the Canadian scene. In the central eastern end of that long east-west Canadian corridor, from Windsor to Montreal and Quebec, we have two-thirds of the Canadian population concentrated. We have the phenomena of the rapid urbanization taking place in the centres of Montreal, Ottawa, Toronto, Hamilton and Windsor, in the East, and the same rapid development—in fact, the most rapid of all—taking place in the burgeoning cities of Calgary, Edmonton and Vancouver, where a new population and business triangle is developing, with increasing interdependence among the three. The rapid expansion of our cities has given a new urgency to the search for more

efficient, more effective, more economical, means of inter-urban transport than we have at the present time—if for no other reason than to curb the pollution of these communities by the increasing horde of passenger cars. Some 75 per cent of them carry about one passenger per car, and the pollution from exhaust fumes is becoming a real hazard on certain days and at certain times of the year. The needs of commerce involve the mobility of people between these urban centres by a transportation means that must be economical and safe and fast.

I do not propose to discuss anything other than land transportation, and this includes air, because of airports and so on. I will not be discussing sea transport, and though this is an important element in our transportation economy I will mainly be discussing passenger transportation because it is becoming increasingly clear that improved passenger technology can also lead to improved freight technology and lower costs. In examining the utilization of the various forms of transportation in Canada today, we find, as is shown in table 1, that the different modes of transportation are used as follows:

The Canadian Transport Commission conducted a study called "C.T.C. Inter-city Transport Study," Ottawa, 1970, and at page 2 of the study the data show that in 1970, 85 per cent of inter-city trips were made by automobile; 7 per cent by bus; 5 per cent by air, and 3 per cent by rail. In other words, these statistics could be added in the 1970 column to those of the Dominion Bureau of Statistics with the clarification that they are not DBS figures.

With respect to economics of travel, it has been difficult to get accurate comparable figures on the cost-per-mile of travelling by the various modes of transportation. There are so many variables here that it is difficult to get figures that are meaningful and comparable. However, we can obtain a picture with reasonable accuracy to show how much the price of each mode of transportation has risen in the nine-year period between 1961 and 1971.

To give honourable senators an idea of transportation statistics, referring specifically to passenger use by different modes of travel, the latest figures available of the percentage of passengers travelling by private auto, bus, railway and airlines are for the year 1970, and these figures are presented in table 1. They show the percentage of passenger miles travelled on the various modes of transportation. The table is as follows:

TABLE 1

DOMESTIC PASSENGER-MILES IN CANADA
(Percentage share)
1965–1970

				Commercial Bus			
Year	Autos	Airlines	Railways	Inter-city and rural	Urban	Other Urban Public Transport	Total
1965...	89.7	4.2	3.0	2.0	0.8	0.3	100.00
1966...	89.0	4.8	2.8	2.2	0.8	0.4	100.00
1967...	87.7	5.6	3.2	2.3	0.8	0.4	100.00
1968...	90.0	4.2	2.6	2.1	0.7	0.4	100.00
1969...	90.5	4.3	2.2	2.0	0.7	0.3	100.00
1970...	90.2	4.8	2.1	2.0	0.7	0.2	100.00

SOURCE: Statistics Canada. Transportation Bulletin No. 1, 1970.

[Hon. Mr. Cameron.]

Looking at the table you can see that from 1965 to 1970 the percentage of people travelling by automobile went up from 89.7 per cent to 90.2 per cent, by airlines from 4.2 per cent to 4.8 per cent, whereas for railways the percentage went down from 3.0 per cent to 2.1 per cent. You can see the figures for the other modes of travel in the table itself when the *Debates of the Senate* are printed.

The table refers to passenger traffic on services and journeys whose origin and destination is within Canada. It also includes the Canadian portion of such services which, although commencing and ending in Canada, are routed through the United States.

A word about the interpretation of the table should be mentioned here. The data presented for the years 1968, 1969 and 1970 are still being analyzed and are subject to change. To date these are still approximate percentages. This is especially true of the percentages dealing with commercial bus travel. Further analysis may show that these percentages are lower than they appear to be. As further data comes into Statistics Canada later this year and further analysis is completed, these figures may be revised. However, they do give us a general idea of the percentage of travel taking place on the different modes of transportation.

Other data that may be of interest on this subject can be found in a table which shows projected percentages of passenger-miles travelled on different modes of transportation between 1976 and 2001. These projections were made by the Systems Research Group of Toronto. The table is as follows:

TABLE 2

PROJECTED DOMESTIC PASSENGER-MILES IN CANADA
(Percentage Share of each Mode)

				Commercial Bus		
Year	Autos	Airlines	Railways	Inter-City and Rural	Urban	Other Urban Public Transport
1976...	85.10	8.64	3.14	2.38	.55	.19
1981...	82.21	11.56	3.17	2.47	.46	.14
1986...	78.54	15.29	3.17	2.54	.37	.10
1991...	74.01	19.94	3.12	2.56	.30	.07
1996...	68.57	25.59	3.02	2.53	.24	.05
2001...	62.28	32.18	2.87	2.45	.18	.03

Looking at table 2 we can see that in 1976, for example, it is projected that 85.10 per cent of the people of Canada will be travelling by automobile whereas by the year 2001 the number of people travelling by automobile will be down to 62.28 per cent. For airlines the figure will go up from 8.64 per cent in 1976 to 32.18 per cent in 2001. For railways it will go from 3.14 per cent in 1976 down to 2.87 per cent in 2001. This is, of course, based on the assump-

tion that there is no major change in transportation technology, which is an assumption I am not prepared to accept.

> The reader should understand that the projections presented are based on historical trends. In the jargon of futurology, they are 'surprise free' projections because they are based on the explicit assumption that past and existing trends will continue. They are not predictions in the sense that we believe that they will necessarily come true.

From this statement we can see that these figures must be viewed with extreme caution. During the next 30 years many factors could occur that might alter patterns of travel and therefore render these projections inaccurate.

Also, as our statistical analysis techniques become more sophisticated our future projections will likely be more accurate than the ones presented here. The projections in table 2 do, however, give us an idea of what percentage of travel will take place on different modes of transportation if historical trends continue to the year 2001.

• (1420)

Statistics for the amount of money spent by passengers per mile travelled on different modes of transportation were not available. However, we are able to see how much the price of each mode of transportation has risen between 1961 and 1971. This data is presented in the following summary which replaces table 3 in the original document. By using 1961 as the base year we can see that by 1971 plane fares had risen 51.3 per cent over their 1961 level.

I just want to interject here that I resent very much indeed the way Air Canada is gouging the domestic service in Canada by this inexcusable $25 landing fee which they justify on a sector-to-sector basis. There was a time when you could travel from Ottawa to Toronto to Winnipeg to Edmonton to Calgary and back for $172. If you do that today there is a $25 charge for stopping at Toronto, at Winnipeg, at Edmonton and so on all the way through. I maintain that this is completely unjustified. Air Canada says the reason for this is that it adds extra cost to land and pick up passengers. Of course it does, but if you wish to follow that argument, then you could rationalize by saying that if the aircraft stayed up in the air all the time and did not come down at all you could save the expense entirely.

As I said the plane fares have increased by 51.3 per cent over 1961, bus fares 25.2 per cent, train fares 51.2 per cent, and automobile operation costs 22.7 per cent. In 1971 plane fares showed the highest percentage increase of the inter-city carriers of people. The airlines were closely followed by the railroads in this percentage increase. There was a hope, a dim one, that the domestic air fares might be decreased, but I see no sign of this.

It has been said that Canada is a problem in transportation. This is really not an overstatement. In spite of its importance to the Canadian economy, and in spite of the enormous expenditures the Canadian people have invested in moving people and goods from one place to another, transportation remains a sadly neglected area of research and development in this country. It is estimated that Canada is currently spending about $10 billion a year on transportation. This figure represents direct expenditures on transportation by the public, private and corporate sectors and does not include all manner of indirect expenditures on transportation. Thus, it excludes all transportation of people and goods on construction sites, in mines and factories, et cetera. It excludes costs of packaging associated with transportation, the policing of our highways, the removal of our garbage, and such other items as might be included under a more general definition of transportation than has been used in the study entitled "A Survey of Canadian Activity in Transportation R & D," a background paper prepared for the Science Council of Canada, being No. 17 of May 1971. If all of the latter expenditures were included, it is likely that our total spending on transportation would amount to almost 20 per cent of Canada's gross national product. About one-quarter of this direct expenditure is from the public purse, about one-quarter from corporate coffers, and about one-half from private pockets.

About two-thirds of all direct expenditures are on automotive transport, less than one-fifth on rail transport, and about one-fiftieth on pipeline. The remainder is divided about equally between air transport and water transport. As a nation we spend more on transportation than we do on food. The private automobile accounts for almost one-half of this expenditure. Thus, I think it can be seen why I have emphasized the importance of the role of transportation in the Canadian economy.

In 1971 it was estimated that the federal government expenditure on research and development in the transportation industry did not exceed $5 million. It was also estimated that provincial and municipal governments were spending about $5 million per annum on transportation research and development, and the Canadian transportation equipment industry is spending about $25 million on transportation research and development. The transportation operating industry was estimated to be spending between $5 and $6 million, and of this amount Canadian Pacific Railway, Canadian National Railways and Air Canada spent by far the largest part. The trucking industries were spending an estimated amount of $400,000 per annum and the shipping industry even less.

An even more serious aspect of the Canadian scene with respect to research and development in transportation is the relatively small contribution being made by Canadian universities. The total expenditure is less than $500,000 per annum, and they are not presently training the number of researchers that will be required to deal with the problem efficiently in the next few years. From the foregoing it would seem that the total expenditures on transportation research and development in Canada in 1971 were running at a figure approximately of $40 million per annum, and considerably more than half of this was spent on research and development on transport equipment rather than on economic research, systems analysis or development of new concepts. And it is in these three latter areas where the greatest scope for new breakthroughs and innovation can come about.

In the Science Council of Canada paper, the vice-president's committee on Canadian transportation of York University is quoted as saying:

> Despite the great size and importance of the Canadian transport sector, there is as yet no real national

> emphasis in transport teaching and research. The universities carry out modest, mutually uncoordinated programmes which emphasize technical; e.g. highway engineering, or regional; e.g. grain transport, problems. Nowhere in Canada at present does internationally respectable systems-oriented transport teaching and research take place.

This is a very serious oversight in terms of our national needs.

> There is a severe current shortage of top transport personnel. Government and industry leaders feel that, in addition, existing staff will have to be upgraded substantially in order to keep pace with a rapidly changing technology and environment.

On page 23 of the report it says:

• (1430)

> Some embryo "centres of excellence" in transportation are already in existence on Canadian campuses. In most instances, however, their operations are currently subminimal, and none is likely to achieve an international reputation in transportation within the next decade unless the present level of support is greatly increased. Even if this were done, it is suggested that first priority at such regional centres should be given to the education of transportation researchers and managers, with next priority given to research on regional transportation problems. A central research institution, strategically located with respect to senior government, operating industry and manufacturing industry, could still play a vital role in undertaking impartial and full-time research on national transport problems, in stimulating and co-ordinating research activities by summer courses and seminars, in encouraging international co-operation in research, and in providing basic services for transportation research across Canada.

Speaking of the role of qualifications of academics on university campuses, the report goes on to say:

> Of those academics currently teaching transportation in Canadian universities, almost 60 per cent have no professional experience outside the universities. The median "outside" experience of the rest is less than six years.

That statement alone is the most damning indictment of the neglect which is taking place.

Under the National Transportation Act of 1967, there was established the Research Division of the Canadian Transport Commission. This division should fill an increasingly important need for a capability in "big picture" research to assist in policy development and for the co-ordination of research activities throughout Canada. It will need to devote a continuing effort to the planning of research programs directed towards the implementation of national transportation policies, irrespective of whether the actual research is to be performed intramurally or "by the other sectors." It is the only existing agency of the federal government which is potentially capable of undertaking the tasks of any major program and it has been given a clear mandate for this under the terms of the National Transportation Act.

[Hon. Mr. Cameron.]

While Canada has been lagging behind in transportation research, many other countries, notably Japan, Germany, France and the United Kingdom, have been devoting a great deal of time and effort to advanced research and its application to transportation systems. Canada, by arranging either bilateral or multilateral agreements with nations, can avoid the costly and time-consuming effort required to do her own research. In other words, by making agreements with the British Rail Research for example, or with the French, or German, or Japanese research agencies, we could arrange to have the benefit of their technology and apply it with such modifications as may be necessary to the Canadian scene. This is an imperative conclusion and we have no option but to capitalize on the experimental work that has been done if we are to maintain our place in the highly competitive transportation picture in the years to come.

Here I wish to interject that I have made two trips to the British Rail Research Centre in Derby, England, where 800 people work on transportation research. I would suggest to any honourable senator who has the time and opportunity to go there that it is well worth the trouble. As a result of some of their research they have produced what is known as the Advanced Passenger Train. I will circulate a photograph of it. This train is new from the ground up. It is operated by linear reduction engines and can travel at 155 miles per hour on existing tracks with existing signalling systems. If it had its own track and signalling system it could reach 250 miles per hour. Arrangements are being made today for transportation from the new airport at Slough to London, a distance, I am told, of 50 miles. Some say it is less, but in any case it will take the train only 11 minutes to travel from the airport to the centre of London. This is the picture of what is to come in rapid, light passenger traffic. Those trains are adapted so that they can use the existing tubes of the subway system in London.

I want to come back to this a little later. In the meantime I wish to take a look at the transportation policy with respect to airlines.

This is a good time to take a close hard look at Canadian transportation policy, because the importance of people being able to carry on their business unimpeded by strikes has never been more apparent than in the past two or three years. In the airline industry we have had strikes of air mechanics, office workers, air controllers, and radar technicians, each one resulting in great inconvenience and loss of money. People are getting tired of the disruption of their convenience, the Canadian economy and Canadian business at increasingly frequent intervals, all caused by small groups of people who can only be described as irresponsible, sometimes controlled by officers from outside the country. The recent confusion as to who was in control of the IBEW radar technicians in the last strike is a case in point. However, I do not wish to get into that subject.

In looking at the Canadian scene we have to examine the attitudes not only of airline employees but of those who run our railways. For example, officers in the Canadian railway hierarchy have been saying for years that the passenger train is as dead as a dodo. It is a fact that many senior administrative personnel with the rail-

ways seem to have been doing everything they can to discourage people from using trains.

This, in my judgment, is a completely negative attitude. The status quo type of thinking and performance, where the percentage of people using the passenger services has been going down, is being used as an excuse for saying that the economics of passenger railway transportation are such as to discourage the railways from providing passenger transportation.

It is high time that we took a new look at this kind of thinking and emulate what is being done in other countries. In Canada we have a tremendous investment in railway roadbeds, signalling systems, passenger, freight and express dispersal centres, and so on. It seems to me that it would be much smarter to do what is being done in the United Kingdom, Germany, Japan, France, and now in the United States, which is to explore, as an interim measure, what can be done to upgrade existing facilities by the introduction of new technology.

Everyone is familiar with the famous Japanese bullet train developed after the war, which is capable of speeds up to 150 miles an hour, and which has an average speed of 130 miles an hour between Osaka and Tokyo. It is the famous *Tokaido Express*. It is a comfortable, quiet and fast train, and has reduced the use of airline services in that section by a very high percentage. As I said, the British Rail Research Board at Derby, employing 800 people, has developed new trains.

The advanced passenger train which the British are using, and which they are now trying to sell to the Americans, is an attempt at a completely new approach to the utilization of existing investment in road and rail facilities. If that train had its own track and signalling system, it woud be capable of travelling at 250 miles an hour. One has only to think what this would do to the transport picture between Ottawa and Montreal, a distance of 125 miles. It would take half an hour to travel from downtown Ottawa to downtown Montreal. Between Ottawa and Toronto, a distance of 250 miles, it would take one hour to travel from downtown to downtown. It would take one hour and a half to make the journey from Toronto to Montreal, a distance of 360 miles. If, by using the same ingenuity, we could put a fast train on our existing roadbeds, using our existing signalling system and getting 150 miles an hour out of it, we could travel from Ottawa to Montreal in less than an hour and from Toronto to Montreal in about two hours. The best you can do with a plane today is two hours and a half from Toronto to Montreal, taking into consideration the time required to get from downtown to the air terminal, the flight time and the time from the Montreal air terminal to downtown Montreal. That is two and a half hours, providing everything goes well and you are not plagued by fog or by striking airline employees, or other factors. The British have developed another system at their research centre at Cambridge. This system has an air-screw propulsion which requires its own track and is capable of a speed of 250 miles an hour. The hope of developing a train of this type is mitigated against by the cost of acquiring new rights-of-way, something that is becoming increasingly difficult in these days of modern urban congestion. The French have an experimental train with 15 miles of track at Dijon. This is an air cushion train which is capable of doing 260 miles an hour. The Americans are developing in California a train which is capable of doing 250 miles an hour. They call it the *Super Train*, and it is to run from Los Angeles to Las Vegas.

• (1440)

I cite these examples to illustrate what is happening in passenger train technology today. Canada is doing very little in this respect. The turbo-train which was to run between Toronto and Montreal has not even made it yet. It is not very encouraging, but it can be done. The main argument cited against fast passenger trains in this country is that we do not have the population to warrant it. I feel that if we could divert a good deal of the air traffic to passenger trains it would make a great difference. I am sure a lot of people would prefer to get from centre to centre on a fast, comfortable train.

An Hon. Senator: Hear, hear.

Hon. Mr. Cameron: This would get us away from the tremendous expenditures we are being forced to make for airports. The new air terminal at Ste. Scholastique is to cost over $1 billion, as is the proposed airport terminal in Pickering. By the time these are completed the costs will probably be much higher. This is subsidization of air traffic of which we hear very little.

In looking at what is happening with respect to air travel—in addition to the inconvenience and disruption of the travelling public by the airline employees, which has done so much to damage the image of the airlines—we are faced with the factor that as the planes get bigger, we need larger airports. This means moving them farther out from the centre of the cities so that more time is actually spent on getting to the airport than is spent in the air getting from point to point. As the numbers of people using the airlines increase, the congestion in the air terminals with respect to the ticketing process, baggage handling, and the general movement of people, is slowing down and becoming more and more of an aggravation. If any of you doubt that, then spend a little time, as I did the last two weekends, at the Toronto International Airport where I was stalled due to fog. The congestion and the confusion is an aggravation. Of course, Air Canada was not responsible for the fog—

Hon. Mr. Flynn: It was the fault of the government.

Hon. Mr. Cameron: Again we are not using much ingenuity in handling this problem. Some years ago, Air Canada gave up the Calgary-Edmonton run because they said they were losing money on it. Pacific Western took the line over and put on an air bus, which means the planes take off at a specified time. It is on a first-come first-served basis and you look after your own baggage. There was a time when you got the ticket on the plane but you now buy the ticket at the counter and go right on the plane. They have reduced the travelling time between Edmonton and Calgary to 35 minutes. It leaves the Calgary airport, which is less than five miles from downtown, and lands in the Edmonton Industrial Airport right in the heart of the city. In other words, you can go from downtown Calgary to downtown Edmonton in an hour to an hour and fifteen minutes. Pacific Western has increased the number of flights to six each way on weekdays and

two flights each way on Saturdays and Sundays, and they are doing a land office business. The question is: if this can be done so successfully between Calgary and Edmonton, why cannot the same principle be applied between Toronto and Montreal, Ottawa and Toronto, Toronto and Windsor, and so forth? But again, if we had the type of fast train facilities I am talking about we would not have to worry so much about the airlines.

Another factor of increasing concern is the high cost of providing the necessary airport facilities for the airlines. We are familiar with the fact that the Canadian taxpayers are committed to spending over $1 billion plus to develop the new air terminal at Ste. Scholastique. This also applies to the proposed air terminal at Pickering. This is to mention only two of the major airports. I have a clipping here to the effect that we are going to spend $57 million in Calgary, which is very nice for the citizens of Calgary. I would be the last to deny my fellow citizens a bonanza such as that, but I am just wondering if it is justifiable at this time.

Hundreds of millions of dollars have been expended on developing airport facilities in Vancouver, Calgary, Edmonton, Winnipeg, and similar places, right across Canada, and these are being built by the taxpayers of Canada. This fact should be remembered when comparing the costs of subsidizing passenger traffic on the railways. The provision of the air terminal and the landing facilities for airlines is a direct subsidy to the airlines. This is a fact that is seldom considered when comparing the costs of subsidizing the passenger service on the railways.

In a country such as Canada there will always be a place for long distance travel. The airplane is the obvious way to travel from here to Vancouver or vice versa, but surely railway technology is the answer for the short run of, say, 300 miles. The railways could handle a great majority of the passengers on the short runs.

Another factor to be considered as far as the airlines are concerned is the increasing pollution factor—noise pollution and pollution from airplane exhausts. One has only to sit on a runway at the Toronto International Airport some evening and watch the planes taking off every few seconds. The air is filled with black smoke. It is easy to realize how heavily these aircraft contribute to the pollution of the atmosphere, something that is not done by the much cleaner passenger train.

Probably no area of transportation needs to be upgraded more urgently than the rapid transit in cities. I am pleased that in this respect Premier Davis of Ontario has initiated a very advanced type of interurban transportation system which will go into effect in 1976 or 1977. That is a long time to wait. Here again, we are still fooling around with the technology of the early 1900s. Bus transportation, streetcars, private motorcars, congestion of cars, congestion of traffic delays in time, pollution of the air, increasing cost of providing roadways—all are factors that must be looked at critically in the years to come. For example, look at the tremendous expenditure of funds on Highway 401 going out from Toronto west to Hamilton, and on Highway 27 north to the airport. Not only is the tremendous cost of these expensive interchanges a factor, but the more traffic lanes we provide the more private cars are used, and the more congestion we get the slower the average speed. I am told that the average speed on the throughways in Los Angeles, which are supposed to be the most advanced in the world, is about 11 miles an hour. Some interchanges are taking as much as 50 acres of land, so again the waste of land under airport interchanges, airport runways, is a very considerable cost factor. All of these factors suggest that the time has come when it would be very profitable to Canada to devote more of its technological know-how, its resources of money, and its resources of manpower to innovation in our transportation systems, particularly as far as rail transport is concerned.

[Hon. Mr. Cameron.]

• (1450)

With this in mind, I am going to propose that we do one of two things in the Senate, that either we reactivate the Standing Senate Committee on Transport and Communications to tackle this problem in a systematic and organized way, or that we establish, as we have done so successfully in a number of other cases, a special committee on transportation. This matter is urgent in terms of need, it is urgent in terms of the economy, and it is urgent in terms of the opportunity it will provide to gain a new competitive advantage in the more effective mobilization of our resources of manpower and technology.

I have a good deal more material on grain technology, and so on, but I will leave that subject for some of my colleagues.

I have deliberately invoked this discussion because I think it is important to the economy of Canada. I think this opens up a whole new field whereby Canadian ingenuity and resources can be used more effectively. I hope that as a result of the interest a number of senators have expressed in this matter we will have a full and complete mobilization of the knowledge we have in this Senate on this very important factor in the Canadian economy.

Hon. Mr. Laird: I recall reading a figure of the number of people who have never flown in a plane. it is an astounding number. Does the honourable senator by any chance have that figure in his material? It is a fantastic number. Something like 90 per cent have never flown.

Hon. Mr. Cameron: I could not vouch for the accuracy of the figure, but I believe about 11 per cent have travelled by plane, which leaves 89 per cent who never have.

Hon. Mr. Forsey: Has the honourable senator the figure of the number of people who have never travelled by train? I am serious, because I think honourable senators will find that a very large number of the younger people in this country find a train is almost a museum piece. If they do ever travel by train it is an exciting event for them; it is like seeing a horse, something they scarcely realized existed.

Hon. Mr. Cameron: I have no figures on that. However, I remember three or four years ago talking to some young people at the University of Alberta whose parents thought they would give the youngsters a real treat by taking them on the train between Calgary and Edmonton. They had never before been on a train. A very large number of young people have never been on a train. They travel by air, bus or car.

On motion of Senator Macdonald (Cape Breton) for Senator Fournier (Madawaska-Restigouche), debate adjourned.

BUSINESS OF THE SENATE

Hon. Gildas L. Molgat: Honourable senators, before the adjournment is moved I would like to give a brief word of explanation of the present business of the Senate.

The Unemployment Insurance Bill, which we are told must be passed by tomorrow or the mailing of the cheques will be stopped, is still in the other place at the third reading stage. There is no assurance when they will give the bill third reading, but it is conceivable it could happen this afternoon or this evening. We thus find ourselves in the position of not knowing exactly when this urgent bill will come to us.

In light of that, and in order to avoid the Senate not being available to deal with this urgent business, it is my suggestion that we adjourn at this time until the call of the bell at approximately 8.30 this evening. I regret the inconvenience this will impose on honourable senators, but I think it is the best we can do. I am sure we would not want a situation to develop in which unemployment insurance cheques could not be delivered to those who need them.

Hon. Mr. Flynn: I was wondering whether Senator Molgat thinks it is worse for the Senate to be too readily available or not available at the exact moment a bill passes in the other place.

Hon. Mr. Molgat: I recognize the validity of that argument. It is a question of balance, as to how we can best conduct the business of the Senate and the business of Canada. It seems to me that under the circumstances, because certain people will not receive their cheques if we do not proceed with this business expeditiously, it is in the best interests of Canada to be ready to proceed as soon as possible.

The Senate adjourned during pleasure.

At 8.45 p.m. the sitting was resumed.

Hon. Mr. Molgat: Honourable senators, I wish I had better news to give you. The bill has made no further progress in the other place. It is still being debated on third reading, and there is no guarantee that it will pass this evening. Therefore, I move that the Senate do adjourn until 2 o'clock tomorrow.

Hon. Mr. Flynn: Honourable senators, I hope that the honourable acting leader will have more confidence in me in the future.

Hon. Mr. Molgat: Honourable senators, I must confess that the advice given me by the Leader of the Opposition was sound. I do not know whether his channels of communication are better than mine, but certainly his estimate was more accurate.

Hon. Mr. Deschatelets: He has first class information.

Hon. Mr. Phillips: May I ask the Acting Leader of the Government if he is so pessimistic that he would not suggest an earlier meeting at, say, 11 o'clock.

Hon. Mr. Prowse: How about 2 o'clock in the morning?

Hon. Mr. Phillips: I will be here, if you will.

Hon. Mr. Molgat: I believe that there are other activities on Wednesday morning which would prevent certain senators from being here. I have discussed the matter with the Leader of the Opposition and the suggestion is that we adjourn until 2 o'clock tomorrow.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, February 7, 1973

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

Prayers.

WESTERN CANADA

NEWSPAPER REPORT—QUESTION OF PRIVILEGE

Hon. George van Roggen: Honourable senators, I rise on a point of personal privilege. I was intrigued, when coming up on the aircraft from Toronto on Monday, when the *Toronto Star* of February 5 was placed on board the aircraft, to read a report, datelined Canadian Press and United Press International, on a television interview of the Honourable James Richardson, which took place on Sunday. The subject matter of the report is not important. However, this passage caused me some amusement:

> "Richardson, one of two westerners in the federal cabinet, was interviewed on the CTV television—

And so on. Needless to say, Mr. Basford and Mr. Davis can well account for themselves in the other place. I would not have paid much more attention to this but for the fact that I later saw the same article in the *Ottawa Citizen.* Even then, I do not suppose I would have been prompted to say anything, because we in British Columbia are accustomed to a number of people in Canada feeling that the West begins about Guelph and trails off somewhere around Thunder Bay. I was startled yesterday afternoon, however, when Senator Cameron in his opening remarks to his very excellent speech on transportation, made the observation:

> I am also aware of the fact that just recently the three Western provinces in Canada have set up, to quote from the *Edmonton Journal* of Thursday, February 1:
>
> > . . . a council "to break the bottlenecks" in transport routes so that grain, potash, sulphur, coal and other western resources can move to market faster.

There was no mention of metals, pulp, paper, plywood, lumber or any of the things produced in British Columbia.

I admit that a number of years ago there was a movement in British Columbia, which did not come to anything, suggesting that Canada should trade off Ontario for the Hawaiian Islands, and it might have been a profitable trade to us. This was given short shrift by the people of British Columbia who are loyal to Confederation.

I wish to bring to the attention of honourable senators the fact that British Columbia became part of Canada more than a hundred years ago and is still in Confederation.

I would also bring to Senator Cameron's attention the fact that the West does not really end at the Banff School of Fine Arts but continues for several hundred more miles before it merges itself into the Far East.

UNEMPLOYMENT INSURANCE ACT 1971 (No. 1)

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-124, to amend the Unemployment Insurance Act, 1971 (No. 1).

Bill read first time.

Hon. Paul Martin: Honourable senators, with leave, I move, seconded by Honourable Senator Langlois, that the bill be placed on the Orders of the Day for second reading later this day.

• (1410)

Hon. Mr. Flynn: Honourable senators, I think that motion should have come after Her Honour had asked when second reading would take place. However, that is only a matter of procedure. I mention it merely for the benefit of the government leader. He does not seem to care too much about the procedure of the Senate.

Since he moved that this item be put on the Orders of the Day for later this day, I think it is a good moment for the leader to tell us why. Obviously, we know about the bill. We have not, however, had time to study the debate which went on in the other place. We haven't been able to form a real, sober, second thought on this matter. Does the leader think we can do that in about half an hour?

Hon. Mr. Martin: That is not the reason. As I understand it, there had been some discussion with Senator Molgat, and it was to enable the Deputy Chairman of the Standing Senate Committee on National Finance to make a report on the study of the estimates. That was to be done first. That was the reason why it was done. As to the urgency of the bill, as my honourable friend knows, it is public knowledge because of the long discussion in the other place that the fund in question covered by the unemployment insurance bill is depleted and, if payments are going to be made, the bill has to be passed by a certain time. That is all.

Hon. Mr. Flynn: What is that certain time?

Hon. Mr. Martin: Today.

Hon. Mr. Flynn: Today? I should like the honourable leader to be more certain about it.

Mr. Martin: Today. There is no money in the fund. This is the last day.

Hon. Mr. Flynn: Today! Is it really a declaration or affirmation of the Leader of the Government that if this bill is not passed today cheques will not be able to be sent to the recipients?

Hon. Mr. Martin: The cheques will not be able to be sent tomorrow.

Hon. Mr. Flynn: Is it today or tomorrow, then?

Hon. Mr. Martin: If the bill is not passed today, that is the situation as has been stated in the other place.

Hon. Mr. Flynn: "As has been stated in the other place." I doubt that I will be able to accept the affirmation of my honourable friend, but in any event let us say we agree that it be discussed on second reading later today.

Hon. Mr. Phillips: On that point, honourable senators, I was rather pleased to hear from the President of the Treasury Board yesterday in the meeting of the Standing Senate Committee on National Finance that there had been a levelling-off and that the grants have not been as great in the last couple of months as anticipated. If that is the case, what has happened to the $1.5 million per hour that you are paying out in unemployment insurance benefits? If it has levelled off and decreased, surely we are not going to run out tonight or tomorrow.

Hon. Mr. Martin: In any event, honourable senators, there is a simple motion that it be placed on the Orders of the Day for later discussion, and that question and other matters can be discussed at that time.

Hon. Mr. Molson: Honourable senators, I read the papers and I also have been hearing about the urgency of this matter. I am not going to refuse consent, but I think I should. Once again it is quite disgraceful that time can be frittered away in the other place on a bill of this nature. With complete disregard for the parliamentary procedure of a two-house system they pass a bill to us and say that it must be passed today.

Hon. Mr. Phillips: Hear, hear.

Hon. Mr. Molson: I do not think we can pick on the government alone. I think it is a matter for all the parties in the other place, because one party by itself rarely creates a delay. This repetitious habit of sending us very important bills, short though they may be as in this case, and saying that they must be passed speedily is sheer arrogance. I don't think it is right. I really do not need to repeat this, because we have had the same statement made on an enormous number of occasions since I have been in this chamber by senators who resented the situation greatly. However, in the end we have always felt that the innocent should not suffer because of our actions, and that while our refusing to go along with the situation might establish a principle, it would certainly hurt the innocent bystanders who should not be affected. In this case, as has happened once before, those affected would be the unemployed who, God knows, cannot afford to be without their cheques. Nevertheless, I do not understand why we have to be faced with this situation all the time. Surely there must be some way to make the House of Commons appreciate that with a two-house system adequate time has to be given for consideration of legislation.

Honourable senators will remember that a few years ago we spent considerable time revising our rules—not a very exciting task—and in the course of that study we considered very carefully the question of notice. At that time the question of two days' notice, one day's notice or no notice at all was discussed, because it was felt that unless there was good reason for these things, then the applicable rules should be amended. After a considerable amount of discussion and consideration it was decided that two days' notice was required in order that adequate time might be allowed in appropriate cases, one day's notice for all matters where this was not absolutely essential for good intelligent treatment of the subject, and in other cases no notice at all was required. Second reading requires two days' notice, and, third reading, which I gather from my honourable friend will be moved later this day, requires one day's notice.

Hon. Mr. Martin: Second reading will be moved.

Hon. Mr. Molson: Later today?

Hon. Mr. Martin: Yes.

Hon. Mr. Molson: But you mentioned that this legislation had to be passed today.

Hon. Mr. Martin: No. The difficulty of the situation in which we now find ourselves is that we are discussing a matter related to the bill while the motion before the house is that with leave this bill should be discussed later this day. It is at that time that this discussion we are now engaged in could properly take place.

Hon. Mr. Molson: I never like to disagree with my honourable friend, the Leader of the Government—

Hon. Mr. Flynn: I am not in the same situation as you are. I do like to disagree with him.

Hon. Mr. Molson: Well, I am not discussing the bill. I am discussing the motion that it be considered later this day, for which normally leave is required. I, like so many of my colleagues, must say yes. That is the situation I am discussing at the moment. I think many honourable senators will remember Senator O'Leary speaking as long ago as 1964 when on two occasions he said it was the last time that he would give consent for a shotgun bill coming in here to go out the same day. I think his objection was very well founded. Yet, last week with the Pilotage Bill we had the situation where someone in the administration suddenly came to life and said, "if the bill is not put through by today, tomorrow there might be a marine catastrophe." So the Senate came back to pass a bill, with no notice, and knowing nothing whatever about it. The House of Commons passed it bang, bang, bang. They did not know what was happening either.

• (1420)

Hon. Mr. Flynn: Probably less.

Hon. Mr. Langlois: They did not even discuss it.

Hon. Mr. Molson: They did not even discuss it. But this is not Parliament. This is not legislation. I would just like to add one thought. Very frequently there is a suggestion that we serve no useful purpose. It comes up in the House of Commons frequently. We have some good friends over there who never let a session go by without bringing up the question of our abolition. I would just like to say that if there is much legislation put through in the way in which the bill to amend the Pilotage Act was put through, and now this bill, then I will be completely in favour of our abolition. This house will have no time for sober second thought or any other kind of second thought. We will have no time for thought at all.

Hon. Mr. Beaubien: Honourable senators, I agree completely with Senator Molson. I hate to harp on the subject I raised the other night, but we had a concrete example in December 1971 when we had Bill C-259 before us. We had to rush it through because it was the end of the year, and

people had to know what their tax liabilities were. We pointed out the shortcomings of doing this but we passed the bill, and people are suffering today because amendments have never been made. No one knows what he has to do when he looks at his income tax form.

I believe the Senate has to make up its mind as to what it is going to do, and stick to its guns. None of us wants to stop the cheques from going out tomorrow. However, three or four months ago everybody knew the cheques could not go out tomorrow, unless an amending bill was passed.

Does the Senate have to take over and run the country; to keep in mind measures that have to be passed, and then go to the House of Commons and say, "Pass these bills now"? There seems to be nobody at the tiller. At the last minute we are given a bill, and we pass it. How can we possibly consider these bills, and do the work we are supposed to, if we receive them only a few minutes before they are to be passed?

Honourable senators, this reflects on us. We are not here to change policy, but we are here to analyze bills—and we have done good work in this respect in the past—and to correct errors. I am not pretending that there are more errors now than there were in the past, but I know that we can give much more time to the study of intricate bills than can the members of the other place. Most bills, although passed, are not debated properly. I refer to the income tax amendments that were introduced last June. They were never properly discussed in the other place at any time, and they have not been passed yet.

I think this is a disgraceful way to run the country. I am not pretending to play one side against another, but I am concerned about the manner in which the work of the House of Commons is being arranged. If there is to be any reform it seems to me it should be done in the House of Commons.

Hon. Mr. O'Leary: I agree with Senator Molson and Senator Beaubien. Where I part company with them is in this: they are not prepared to do anything about it and I am. I will not give my consent to third reading of this bill today.

Hon. Mr. McIlraith: Honourable senators, I will try to keep my remarks relevant to the motion before the Chair at the moment, which is merely for second reading later this day.

Hon. Mr. Flynn: Later, yes.

Hon. Mr. McIlraith: That being the case, the discussion on the point, while very interesting, extends itself beyond that narrow point. It has done so notwithstanding that honourable senators opposite made it clear in the early part of their remarks that they wished to give consent for that purpose. They then went on to complain of the situation arising out of the lack of time for adequate debate, which is undoubtedly offensive to the Senate, this part of the Parliament of Canada. As they did that I was curious to know exactly what method they propose to use to improve the Parliament of Canada so that this objectionable circumstance will not arise in the future. I listened attentively for some light on that subject. I did not hear it and perhaps this is not the time at which it should be debated. It seems to me that with respect to a bill of this type, or a bill as the Pilotage Bill which we received recently, the practice of bills of such nature being introduced in one house, dealt with fully in that house, then sent to the other house for its concurrence is not necessarily the right method.

Hon. Mr. Flynn: No; no one has said that.

Hon. Mr. McIlraith: However, it may not be the right method and in the case of this bill, which has been before the other house for many weeks and received, if I may say so with propriety, very slow treatment there, or lengthy examination, however you wish to express that, it may be that we ought to have been debating it at the same time. Perhaps we should review our procedures to see if concurrent debate is possible in the case of certain types of bills. I am well aware, of course, that it would not do in respect of all types of bills. Surely the remedy lies in some procedure, not necessarily a procedure of the Senate alone, to correct the situation. Certain changes in our own rules may help to correct the situation. It may be that we have to go further than that. Certainly the point is one that I would hope would not be let go and that we could look at in some objective fashion. The threat merely of not giving consent and so on is not mature enough, as far as I am concerned, nor is it the correct method to achieve the results we desire. I believe there are better methods, but I would hope that we could find a format for examining the subject and having those methods taken up seriously by Parliament as a whole in a way that would bring about a satisfactory procedure for the future.

Hon. Mr. Phillips: Honourable senators, I wish to be associated with a certain portion of Senator Molson's remarks and completely with those of Senator O'Leary. I came in here this morning fully convinced that I should not give consent for second reading this day. After discussing the matter with various senators on both sides of the house, I agreed to second reading today. But in doing so, I understood that the bill would go to committee tomorrow. Then I came into the chamber, and, despite Senator Martin's denial, he left me with the distinct impression that it had to be passed this evening.

• (1430)

Hon. Mr. Martin: No, I did not.

Hon. Mr. Phillips: I will not, under any terms, consent to third reading this day.

With reference to Senator McIlraith's remarks, certainly there is improvement to be made in the other house. This is probably not the time to bring in partisan politics, but I would suggest that the first step in achieving improvement is to change the administration in the other house. Secondly, no one should try to convince me that the other house considered the bill for any length of time. No. They spent their time fooling around on a bill for the abolition of capital punishment. Was that more urgent than this bill affecting the unemployed? It was not.

If we are going to operate effectively as a chamber, I agree that we could probably debate legislation at the same time as the other house. But the other chamber did not, under any circumstances, give this bill any consideration. It went through even quicker than Senator Martin wants it to go through in this house.

Hon. Mr. Flynn: You are exaggerating.

Hon. Mr. Phillips: Perhaps I am emphasizing rather than exaggerating. We have to remember that this is an important measure. As I say, for every hour that the Unemployment Insurance Commission is open, Canadian taxpayers are paying out $1.5 million an hour. If the Liberals think that is funny, that it is jocular, I am sorry, but I am too much of a Conservative to accept that. I am too old-fashioned to accept it as being jocular.

Hon. Mr. Cook: With reference to Senator McIlraith's idea of having concurrent examination, which I think is a good one, I should like to point out that we have received a copy of a report of the Standing Senate Committee on Banking, Trade and Commerce concerning the examination of tax reform legislation. We worked about three months and spent $80,000 in connection with that matter, yet on both sides of the house it is said that we passed the bill in one day. So what is the good of having concurrent examination?

Hon. Mr. Flynn: You are opening a debate. I am of the opinion that Senator McIlraith's idea should be dealt with at a later date, not later today.

Hon. Mr. Croll: Very much later.

Hon. Mr. Prowse: I wonder if we can come back to the motion of the Leader of the Government, that the matter be dealt with later today. To those who say we are having a gun put to our heads, may I make it perfectly clear that Senator Phillips wasted an hour of the committee's time the other morning dealing precisely with what is detailed in this bill. When we get it we can refer it to the committee where we can deal with it. You do not have to be a genius to understand that all this bill undertakes to do is to remove the ceiling. One paragraph of the bill—

Hon. Mr. Flynn: Order, order.

Hon. Mr. Prowse: There is a principle involved which can be discussed, but I do not intend to go into it at this point. Let us stop the nonsense. If we really want to beard the lion, if we really want to hold—

Hon. Mr. Flynn: I rise on a point of order.

Hon. Mr. Prowse: Oh, no.

Hon. Mr. Flynn: I rise on a point of order.

Hon. Mr. Prowse: Go ahead.

Hon. Mr. Flynn: If the Honourable Senator Prowse wants to have a debate as to the manner in which we are dealing with this matter, it is up to him. But we are dealing with leave. He has criticized Senator Phillips' attitude in the committee yesterday morning, which is entirely irrelevant.

An Hon. Senator: Hear, hear.

Hon. Mr. Flynn: If Senator Prowse wants to have a debate, I will debate with him and others, too. However, I suggest to Senator Prowse that sometimes there is virtue in keeping silent.

Hon. Mr. Prowse: And sometimes there is virtue in listening to your own advice.

Hon. Mr. Flynn: I do when I feel I should.

Hon. Mr. Prowse: Well, please do.

Hon. Mr. Flynn: I have more experience in this respect than you do.

Hon. Mr. Prowse: I doubt it.

The Hon. the Speaker: The Honourable Senator Prowse has the floor.

Hon. Mr. Phillips: On a point of order, honourable senators. I shall deal later this afternoon with the criticism of having wasted an hour and a half in committee.

On the point of order, as usual, Senator Prowse does not know A from B. I was dealing with supplementary estimates (A), which have nothing whatsoever to do with the bill before us. Perhaps you, in your sympathetic and understanding way, Madam Speaker, could explain the difference to him.

The Hon. the Speaker: Honourable senators, I think we have digressed from the question that is before us. I shall put the question. 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 later this day.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) PRESENTED AND PRINTED AS APPENDIX

Hon. Allister Grosart, Deputy Chairman of the Standing Senate Committee on National Finance, presented the following report of the committee, to which was referred supplementary estimates (A) laid before Parliament for the fiscal year ending March 31, 1973, and asked that the report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house.

Hon. Senators: Agreed.

(*For text of report see appendix, pp. 211-13.*)

MOTION FOR ADOPTION OF REPORT—DEBATE ADJOURNED

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

Hon. Mr. Grosart moved, with leave of the Senate and notwithstanding rule 45(1)(f), that the report be adopted now.

• (1440)

He said: Honourable senators, I am moving the adoption of the report in the absence of Senator Everett, who is chairman of the committee. I was asked to preside over the meeting of the committee in his absence and to present this report. I might add that because of this unusual circumstance the committee agreed that the report would be prepared jointly by myself, as acting chairman, and Senator Molgat. The reason for this will be obvious, because in the supplementary estimates there is provision for appropriations to cover certain warrants,

which might be the subject of discussion—on which there might be a difference of view in the Senate.

It is not my intention to read the report. I understand that copies have been prepared and are on the desks of honourable senators. I will merely make two brief comments.

The total estimate is, of course, $1,290 million, of which $817 million are non-budgetary items, that is to say loans, investments and advances. This increases the main estimates for the year from $16,500 million to $17,800 million.

Among the witnesses that we heard was the President of the Treasury Board, the Honourable C. M. Drury, who was there with some of his assistants. The minister informed the committee that of this very large total of supplementary estimates, $1.2 billion, 90 per cent are items "having to do with the relief of unemployment or the creation of jobs." The report indicates the main items of which that 90 per cent is comprised, which will also include some payments to farmers, and other new policies dealing with higher pensions for the aged and veterans, and some special assistance to immigrants from Uganda.

There are the usual $1 items, and we append to the report an explanation by the officials of the Treasury Board on each of those $1 items.

Almost half the total estimates, $590 million, relate to three Governor General's special warrants, which were obtained by order in council during the period when Parliament was dissolved. These were obtained from the Governor General on October 5, November 16 and December 14. The committee asked the minister about the constitutionality of those warrants, and he replied that they complied with the provisions of section 23 of the Financial Administration Act, which requires that such payments be

> . . . urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made.

The minister indicated that the contingency fund from which such payments might have been made was not in a position to meet these very high demands.

The two largest items comprised in these three warrants were $132 million for the Local Incentives Program, and two warrants totalling $454 million, which are shown in the estimates as:

> . . . advances . . . to be applied by the Unemployment Insurance Commission towards the payments of benefits and costs of administration . . . on such terms and conditions as the Minister of Finance may prescribe.

The report adds up in a new way, and one not previously, I think, presented, some of the arithmetic of the balance sheet of the fund, indicating why this situation has arisen. Honourable senators will not expect me to read this, but may be interested in the figures the committee presents.

We comment on two particular items which are new this year. First, the Treasury Board contingency fund. We point out that at the present moment the fund is in the rather extraordinary position of being actually "broke." There is no money in that fund at the moment, so if a sudden emergency arose there would be absolutely no money—and the minister confirmed this—to cope with that emergency. He said, in effect, "If we had an application we would have to say we had no money." The estimates, however provide for approval of appropriations which would reimburse the fund by about $40 million; when Parliament votes supply there will be a reimbursement of $40 million.

The estimates also provide for a further appropriation, which I draw to the attention of honourable senators because it is an unusual item, of $60 million. It is to provide funds for a new program which will enable the federal government to hire new employees during the winter months on a proportional basis by provinces. Following past practice, the committee might, I think, have taken exception to that, because we have been rather concerned about the use of the contingency fund for what would appear to be more or less normal expenditures. However, in this case the minister explained that the alternative would have been to put a great number of small items in the supplementary estimates for various departments, and it is justified, I think, on the ground that there is a very close relationship between the Treasury Board, which operates the contingency fund, and the Public Service of Canada, under whom these extra employees would be engaged.

The second topic on which we comment is the Winter Capital Projects Fund. This again is an unusual item, and is unique in some respects. The committee questioned the minister and the officials on this, and we make some comment on it in our report. It is a program that provides federal assistance to the provinces, provincial agencies and municipalities, as defined in the appropriate acts, to create further employment through the construction of capital development projects. A vote under the Department of Finance authorizes loan commitments by the federal government of $350 million. These extend over a period of four and a half years from December last to June 1975.

The question has been raised as to the actual legality of requests for this type of appropriation, because section 20 of the Financial Administration Act seems to limit the requests for appropriations in the supplementaries or in an appropriation bill to items coming in course of payment during the current fiscal year. That matter was discussed with the minister, and the committee makes no comment on it. It is really a constitutional or legal question. However, the committee was concerned that we have here, in effect in what will be a single vote in an appropriation bill, a major program involving possibly $350 million which is not in any way described or presented in a normal act of Parliament. This particular item takes up about a page and a half of the supplementary estimates. It is drafted almost like a skeleton of an act of Parliament. Actually, the committee has taken the position in the past that this may not be the most desirable way of bringing into effect major legislation. It falls somewhat in the category of the criticism the committee has made in the past of $1 items. We say in our report:

• (1450)

> The committee feels that an appropriation act should not be used for this purpose.

The committee has said this before in this connection, and if honourable senators will look at this item they will be inclined to agree.

It should be stated that we do note the exceptional circumstances—the unemployment situation and so on—and the normal requirements of long-range spending. We are aware of the reasons why this was done in this case, but we question whether it is a method of legislation that should be used extensively in the future.

Hon. Mr. O'Leary: Honourable senators, before my colleague resumes his seat may I ask a question? I notice that the non-budgetary item of $817 million, which is practically half the total amount of these estimates, consists of loans, investments and advances. Could he tell us the total of the loans and who got them? Were they actually loans or were some grants?

Hon. Mr. Grosart: Honourable senators, I would have to reply, of course, that I cannot answer that question in detail. It would be quite impossible for me to say who got some $817 million worth of loans. The question as to whether they are all actually loans, investments and advances is one that goes rather beyond the report of this committee, I think.

On occasions, the committee has discussed this particular problem. An example is the loans that are made every year—although they are not in this supplementary estimate—to the Canadian Broadcasting Corporation. These are technically loans. It is assumed that these loans will be paid back at some time or other, but no one really believes that they will. There are bookkeeping reasons why they are carried as loans.

There are some items here where a question might be raised as to whether they are loans in the normal business sense. I would prefer not to go into that. The obvious example would be the unemployment insurance warrants, where some question might be raised as to the terms on which the Minister of Finance might require their repayment. I am reporting at this time as an impartial chairman of the committee, and if I were to express my views on that point I might be in danger of losing my impartiality.

There is always this difficulty as to the description of loans, investments and advances. We know they are not always paid back, but when we discuss them with ministers and their officials they always assure us that from an actuarial point of view it is proper to call them loans, investments or advances. I should say no more on that at the moment.

Hon. Mr. Phillips: Honourable senators, may I put a question to the deputy chairman of the committee? I do so with some hesitation, as Senator Prowse stated that I wasted an hour and a half of his time. I cannot think of a greater or more effective way of disposing of it than that of wasting an hour and a half of Senator Prowse's time—and perhaps the environment might pick up something from that.

In committee yesterday I pointed out that this supplementary estimate (A) is costing the average taxpayer $50 per capita. I asked for certain information. I had prepared my homework. I had over 300 possible questions written out. Then I found myself dealing with Treasury Board officials who could say "We do not know. We will get you that information." I was promised some of this yesterday afternoon, but I did not receive it. I have not received it this morning and I would like it before we get the appropriation bill—which Senator Prowse does not understand.

My second question is: When do we expect the appropriation bill dealing with these estimates?

Hon. Mr. Grosart: I cannot answer the second question. It is completely out of my area of responsibility.

On the first question, I admit that many questions were asked by Senator Phillips, and perhaps by others, for which the officials did not have the immediate answers. These were questions requiring details of items. In defence of the officials, I should say, as chairman, that they could not have been expected to have that information with them—

Hon. Mr. Phillips: I did not wish to infer that.

Hon. Mr. Grosart: —nor did Senator Phillips suggest that they should have it. They did say they would obtain this information and get it to the clerk of the committee as soon as possible. I am quite sure that the officials are making every effort to do so. I will ask the clerk to call them and see if they can expedite the transfer of the material. I am afraid that is the best I can do.

Hon. Mr. Flynn: Honourable senators, I shall move the adjournment of this debate if no one else does. There is no danger of the appropriation bill reaching us before next week—and that is being really optimistic. In the meantime, those senators who have put questions to the officials of the Treasury Board may get their answers. If they do not, when the appropriation bill reaches us it could be referred to a committee for further questioning of the officials. I do not think we should adopt the report, under the circumstances. Therefore, I move the adjournment of the debate.

Hon. Mr. Martin: Very well.

On motion of Senator Flynn, debate adjourned.

THE SENATE

FIRE IN UPHOLSTERY REPAIR ROOM—QUESTION

Hon. Orville Phillips: Honourable senators, I intended to ask a question in a jocular mood and without any accusations, but judging from the mood of the house perhaps it is the wrong day. Nevertheless, I will.

• (1500)

I ask the Leader of the Government if the fire which occurred in the Senate last night had any connection with the notice under Inquiries standing in the name of the Honourable Senator Croll, calling for Senate reform.

Hon. Mr. Martin: In answer to that question, I do not think it had, nor do I think that the member of Parliament sitting in the other place for Winnipeg North Centre had anything to do with it.

PRIVILEGE

COMPLAINT RE FORGED LETTERS

Hon. Edward M. Lawson: Honourable senators, I rise on a question of privilege, to bring a certain matter to the attention of this chamber. I am sure most of you have

read in recent days reports in the media about allegedly forged letters which have been sent in the name of one honourable member from this chamber as well as in the name of Donald MacDonald, the President of the Canadian Labour Congress.

The first letter that is allegedly signed on my behalf was, surprisingly enough, responded to. It was responded to by a member of the other house, who shall go nameless, but who believed it to be genuine. He was not aware it was a forgery and, among other things, he said, "I found your ideas sound and I would certainly be ready to support them".

Hon. Mr. Argue: Who was that?

Hon. Mr. Lawson: I think it would be unfair to name him, other than to say he was a Conservative.

I should also say that there was a response from a minister of the government, which was surprising in itself because, as I am sure most of you know, before the elections if you sent a double registered letter to a minister in a perfumed envelope you would be lucky to get an answer within six months. In this case the letter was answered the following day. I do not wish to make light of this because the seriousness of the situation cannot be minimized. Here were a minister and a member of the other place who believed this to be a factual letter, and responded to it.

Hon. Mr. Phillips: I suppose you left out the perfume this time, did you?

Hon. Mr. Lawson: The second letter, which is on the stationery of the Canadian Labour Congress, is a vicious, foul document. It is an obscene document of the worst possible kind, making an attack on the Prime Minister. It is even more reprehensible when you know it is a forgery, and its author was too cowardly to sign his own name to it.

As a follow-up to that a third letter appeared, which was in the form of a press release with an Ottawa dateline. I am not going to read the contents, but it does give authorship of the letters. It says, "You have received letters from Messrs. Lawson and MacDonald. The Canadian Reformation Service sent those letters to you on behalf of Brothers Lawson and MacDonald. We offer apologies to no one."

In addition, in the last paragraph before the signature, the writer says, "You politicians should be advised that if substantial progress is not soon realized towards departure from Canada of United States unions, two systems will be activated this year which will achieve the necessary results." By itself that is not a very sinister statement. The letter is then signed, "Bud Arnold, Chairman, Canadian Labour Reformation Service."

As I say, the statement, "two systems will be activated this year," is not very sinister unless you are aware that on the same morning that this forged letter appeared and was sent to the news media a fire bombing attempt was made on our office building. The damage was described as superficial, which it was. The fire bomb came through an upstairs window and landed against a metal cabinet. Because there was a witness and the fire department responded instantly, the damage was kept to about $5,000.

Hon. Mr. Croll: They did it again yesterday.

[Hon. Mr. Lawson.]

Hon. Mr. Lawson: In addition to that, obscene phone calls of a nature similar to the contents of the letter to the Prime Minister have been made to my daughter at my home. There were calls to the police station and local radio stations indicating that the next time all four walls of the building would go down, and they would make sure that I was in it.

There were further calls on the following evening to other officers of our organization containing threats of death and violence.

But what do we see next? The author of these documents appears on a local radio station, on Jack Webster's Hot Line program, to say, "Yes, Mr. Webster, I forged those letters." He said, "I did it because we don't have much money. We only have 277 members in and around Toronto, and I did it because I had to use fraudulent means to get some press attention and some media attention." He had an hour on the radio program and went on to describe the reasons why he forged those documents. Subsequently, I understand, he appeared on the CBC program "Weekend" for 10 or 12 minutes.

On Monday last he appeared on the radio station again to talk about the need to resort to this kind of action and this kind of tactic when you do not have very much money and you want to get lots of press attention. On this occasion we were able to have the Vancouver police pick him up from the radio station for questioning as to the bombing, the forging of letters, the threatening phone calls, and so on.

Part of the difficulty—and this is something which causes me great concern—is that the origin of the letters, or the place of mailing, was in Ontario and, as a result, it appears that British Columbia will have no jurisdiction. It will be necessary, as I understand it, for the Attorney General of the Province of Ontario to initiate the prosecution here. I must say that I have had good co-operation from the Department of Justice.

There is the other matter of a Post Office investigation into the illegal use of the mails for this purpose. I understand that if there is a successful prosecution the Post Office can deny him his mailing privileges. Another section of the Post Office Act deals with the use of the mails for obscene purposes, and I think surely this letter is in that category. But again it falls to the Attorney General of the Province of Ontario to initiate the complaint.

My particular concern is that, while we are waiting for something to be done, this admitted forger, this man who is posing as some local folk hero with the attention he is getting from the press, this man who admits that he has committed a reprehensible, criminal act, is allowed to tour the country getting all the press coverage he wants about why he needs to engage in fraud or forgery to achieve his purposes.

It is for these reasons that I wonder if the government leader in this chamber would use his influence, or whatever other methods are available to him, in urging the Attorney General of Ontario to see to it that this man be apprehended quickly and brought to the bar of justice. I think the maximum penalty of the law should be imposed on this individual because no one is safe when letters of this sort can be written, when stationery can be obtained

and a person's name signed, causing responsible ministers of the Crown and members of the other house to respond, in the belief that the letters are genuine.

I would certainly appreciate any support in this matter. I thought it was a matter of some urgency, and that it should be brought to the attention of this chamber.

Hon. Mr. Croll: If I understood the honourable senator correctly, this man admitted committing forgery. Forgery is an offence under the Criminal Code. It does not matter where he is in Canada. If a charge is laid he can be arrested for forgery no matter where he is. If he admitted committing forgery then he admitted committing an offence under the Code, and you or somebody else should lay a charge against him.

• (1510)

Hon. Mr. Thompson: May I ask the honourable senator if he has looked into the situation so far as the media is concerned, and here I have in mind the press, radio and television? Would they not be open to charges as accomplices? I am not a lawyer, but if they knew that the man who had signed the letter admitted it was a forgery, are they not liable?

Hon. Mr. Lawson: I also am not a lawyer, but I do not believe they are liable. I must say, however, in defence of Jack Webster that he did advise the city prosecutor that he had him there, and the kind of questions he asked him were, in effect, an attempt to obtain from him an admission that he had committed forgery. And he did willingly admit this. Probably the most shocking part of this was that some of the callers who telephoned in seemed to try to rationalize that it was necessary to do this kind of thing to dramatize your position.

Hon. Mr. Thompson: I would hope that the media, the press, radio and television—even if they are not legally liable, would feel a moral responsibility in a situation like this.

Hon. Mr. Flynn: Let us be clear about this. In this situation it seems that the radio station collected evidence that Senator Lawson could use in laying a charge.

Hon. Mr. Langlois: They got an admission.

Hon. Mr. Lawson: That is true, but the performance on CBC for 10 or 12 minutes on national television, which made him appear like some sort of a latter-day Robin Hood, was irresponsible journalism at its worst.

Hon. Mr. Thompson: I only saw the CBC program and I considered it irresponsible.

UNEMPLOYMENT INSURANCE ACT, 1971 (No. 1)

BILL TO AMEND—SECOND READING

Hon. Sidney L. Buckwold moved the second reading of Bill C-124, to amend the Unemployment Insurance Act, 1971 (No. 1).

He said: Honourable senators, I certainly share the opinions expressed earlier this afternoon concerning the pressure that is frequently put on the Senate when bills are presented to us in this fashion in the expectation of rapid discussion, consideration, and swift passage. I think all honourable senators share that feeling.

With respect to Bill C-124 now before us, I would remind all honourable senators that it really originated with the tabling of supplementary estimates in the other place on January 9. Keeping in mind that Parliament opened on January 4 and the Throne Speech had to be debated, this would be about the earliest possible date permitted by proper procedure for the tabling of the supplementary estimates in the other place.

The subsequent procedures were quite normal. The supplementary estimates went to the Miscellaneous Estimates Committee and the Standing Committee on Labour, Manpower and Immigration, and I think from the government's point of view every possible effort was made to facilitate the passage of this particular bill. But without any serious recriminations directed at this time to members of the Opposition, I would say that had there been a more co-operative spirit shown, and a less valiant effort to embarrass the government, I do not think the Senate would have been placed in the position in which we now find ourselves. I mention this simply to indicate that the problem was somewhat more complex than some honourable senators on the other side would have us believe.

Honourable senators, Bill C-124 relates essentially to the ceiling on advances permitted under the Unemployment Insurance Act and seeks to establish two things; first of all, the removal of the existing ceiling of $800 million, and secondly, to provide that the additional advances obtained from Governor General's warrants are not to be considered as appropriations granted to the Unemployment Insurance Commission, but rather as advances repayable to the Minister of Finance under conditions prescribed in the act.

I do not think it is necessary for me at this stage to remind honourable senators that there is a high degree of urgency attached to the passage of this bill. That point has already been effectively made, in my judgment, both in the House of Commons and before the Miscellaneous Estimates Committee. As a matter of interest, and in reply to the Leader of the Opposition who asked the question earlier, I received information from the Unemployment Insurance Commission that in fact the last warrants went out to the six regional offices of the commission last evening, and there will be no warrants going out tonight. Therefore claimants, who have a statutory right to the benefits they have been guaranteed, will not in fact be paid. According to the information I have received from the Unemployment Insurance Commission, this means that on Thursday, February 8, some 49,326 claimants will not receive cheques, amounting to almost $6 million, and that on Friday, February 9, 75,651 claimants will not receive cheques, the amount of money involved in this instance being approximately $9 million. This means that the payment of about $15 million to a total of about 125,000 claimants will be held up until such time as royal assent is given to this bill.

Hon. Mr. Flynn: That is tomorrow. That means that if the bill is not passed today, some 50,000 persons will not receive $6 million, and if the bill is not passed until tomorrow a further 75,000 persons will not receive $9 million.

Hon. Mr. Buckwold: That is the information as given to me. I merely pass it on to indicate that far from being imaginary, this is a very real situation that we find our-

selves in, while again sharing in the opinions expressed about the pressure being put on the Senate.

Hon. Mr. Grosart: May I ask a question at this stage? I wonder if the sponsor of the bill would care to reconcile the statement he has just made with the statements made in evidence before the Miscellaneous Estimates Committee of the other place that the deadline would be "February 8, give or take a day or so." That information was given before the committee, when they were considering the supplementary estimates, by two ministers.

Hon. Mr. Buckwold: The information I received was that it would be either February 7 or February 8, and that it was difficult to know exactly what day. I was told, during a discussion with a senior official of the Unemployment Insurance Commission yesterday, that tonight, February 7, would see the end of their warrants, and that in fact deposits to the credit of the regional offices, so that they could draw cheques against those deposits as of tomorrow, would not be made. I think this information as to time is similar to that given in the opinions expressed to the committee.

Honourable senators, an essential element of this urgency is reflected in the statement I have just made, and consequently I think it would be appropriate for me at this point to explain briefly that there are three main reasons why advances are required. In the first place, as I am sure all honourable senators are aware, the government pays all additional benefit costs when the unemployment rate exceeds 4 per cent. That is a statutory requirement. I think it is important to remember that the government's share of the total cost for a given calendar year is not paid to the commission until April of the following year, hence the necessity for advances. Therefore, the government is responsible in law for advancing moneys to cover cash requirements.

• (1520)

Secondly, since the amount of employer and employee contributions, and employee benefits, are dependent upon the level of employment and unemployment, this creates a fluctuation in the unemployment insurance amount. So advances are needed at various times.

The third point is that when the revenue from employers and employees during a calendar year is not sufficient to completely cover their share of the costs of unemployment insurance, benefit advances are required to cover that deficiency.

To illustrate the situation which can result from such factors, or a combination thereof, I might recall for the benefit of honourable senators that during the calendar year 1972 the benefits paid out were $1,879,000,000 and the administrative costs were approximately $120 million, for a total program cash requirement of roughly $2 billion. Of this amount, approximately $890 million was the government's direct cost. As you are aware, the government is committed to certain direct costs. Those costs are related to the 4 per cent unemployment ceiling. Any time that unemployment goes over 4 per cent the Government of Canada assumes the costs. In addition, there are fishermen's benefits and extended term benefits, which are all part of the act.

[Hon. Mr. Buckwold.]

The sum of $890 million was the government's direct cost. The remaining $1,109 million, bringing the amount to around the $2 billion mark, is chargeable to the employer-employee account. These are premiums paid by workers and employees into the fund. The fund received from the Department of National Revenue, which is the collecting agency for that premium account, was $715 million during 1972, based upon the estimates of anticipated premium receipts.

Hon. Mr. Flynn: Do you mean the calendar year 1972, or the fiscal year?

Hon. Mr. Buckwold: I refer to the calendar year 1972.

However, the final figure of actual premium remittances will not be known until midsummer of 1973 when all the income tax returns and T-4 slips are in and have been calculated. If that amount of $715 million, which is the employer-employee contribution to the fund, is accurate there will have been an accounting shortfall of $394 million in premium revenue, and a cash deficit for 1972 of $158 million in the employer-employee account. You may wonder how these figures were balanced. It took a bit of study to find this out, but the difference is $236 million which was the surplus carried forward into the fund from the preceding year.

If I can explain these complicated figures in a simple way, to operate the fund on the employee-employer receipts they needed $1,109 million. The fund generated $715 million which left a shortfall of $394 million. There was a carry-forward surplus of $236 million. So the net cash shortage of the fund, and this is the amount which will be picked up in due course by the fund itself, is $158 million.

I go to some length to explain these figures because the idea that the Unemployment Insurance Fund is costing the Government of Canada $2 billion this year is really not correct. It is correct that advances are being made in very extensive amounts, but most of them will be recovered when the government pays its share under its statutory obligations and commitments.

The advances are required, as these figures would indicate, and they reached an amount in excess of $1 billion for the calendar year 1972.

The Unemployment Insurance Act, established a ceiling of $800 million on cash advances. As a result of this, special Governor General's warrants had to be obtained during 1972 on two occasions when Parliament was not in session, since the limit on cash advances was being reached. In October, a warrant was obtained for an amount of $234 million; and in December another was obtained, this time for $220 million. There has been some discussion as to whether it is proper, indeed whether it is legal, for the government to use Governor General's warrants for this type of financing. I wish to put on record section 23(1) of the Financial Administration Act which reads as follows:

> Where a payment is urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made, the Governor in Council, upon the report of the President of the Treasury Board that there is no appropriation for the payment and the

> report of the appropriate Minister that the payment is urgently required for the public good, may by order direct the preparation of a special warrant to be signed by the Governor General authorizing the payment to be made out of the Consolidated Revenue Fund.

I think honourable senators will understand this is normal procedure for handling the kind of financing which is required when the house is not in session.

Hon. Mr. Flynn: At this point, may I interrupt Senator Buckwold and ask him his interpretation of "when Parliament is not in session"? Does he suggest that the government can obtain a Governor General's warrant when Parliament is not in session but is in existence?

Hon. Mr. Buckwold: In reply to Senator Flynn, I would say this has been the custom for interim financing. Certainly we do not live in a vacuum during an election period.

Hon. Mr. Flynn: I have never heard of this.

Hon. Mr. Buckwold: The business of the government must go on.

Hon. Mr. Forsey: Honourable senators, it has been done over and over again, and on a very large scale, hundreds and millions of dollars in 1896, 1911, 1926, 1940, 1958, and I think some other years.

Hon. Mr. Flynn: These were years when the Liberal Party was in office.

Hon. Mr. Buckwold: Honourable senators, I want to thank my former professor for coming to my aid in a more academic, detailed way with knowledge and information for the Leader of the Opposition.

• (1530)

The Unemployment Insurance Act established a ceiling of $800 million on cash advances. Governor General's warrants were necessary to permit the Unemployment Insurance Commission to discharge its obligations under the law, its legal, statutory obligations to pay benefits to persons claiming and entitled to unemployment insurance. I share the view of, and would like to reiterate the point which has been made by the minister responsible the Honourable Robert Andras, that when the Unemployment Insurance Act was dealt with last the imposition of a ceiling on advances to the unemployment insurance account was unfortunate. I suppose hindsight is easier to develop than foresight, but that was an unfortunate anticipation of events. The government has very readily admitted through the minister that it was unfortunate—I think that is the term used.

Its actual existence, of course, stems directly from a feeling which existed at that time that it might provide a measure of control on costs. But this is not the case, because a variety of circumstances make it difficult to forecast accurately what the total cost to the government will be. Forecasting of this nature is extremely difficult because of the dependence upon national and regional unemployment rates. The amount of the ceiling must take into account the number of persons unemployed, since these have a direct impact upon the government's share of the total benefit costs and, as is known, unemployment varies greatly, for a variety of reasons, at any given time.

Furthermore, I would remind honourable senators that employer and employee contribution rates are based on the average experience of the preceding three years, beginning in 1975—and this is, I must say, a little difficult for me to understand; I still do not grasp how they average on preceding years—whereas benefits are paid depending upon the current employment rate. This creates fluctuations in the unemployment insurance account.

Then, it has to be taken into account that advances under section 137 of the act are at a maximum at times of high unemployment, because of large government cost on the one hand, as well as relatively lower contributions from employers and employees on the other. There are additional factors which have to be considered—the labour force growth, higher earnings of claimants, and length of time claimants receive benefits, which is very important.

In essence, these factors indicate that any limit on advances will become obsolete within an extremely short time of its imposition. The merit in setting a ceiling at an extremely high level is questionable, in my estimation, since it would represent virtually no constraint at all. Equally doubtful, in my judgment, would be the setting of a relatively low level as this would, in all likelihood, result only in annual amendments to the act.

I contend that a fixed limit on advances is not practical, nor is it necessary, since Parliament can review the administration costs and program expenditures on several occasions during each year through established reviews conducted by parliamentary committees, and all the other controls which Parliament already has. There are many ways by which to control the expenditures. For example, we know the unemployment rate—we know monthly how the rate is going—and Statistics Canada publishes statistics on amounts paid out. There are a variety of reports to Parliament which committees study together with appropriations and expenditures, so that at any time there is a fairly accurate knowledge of what is going on in the fund as a result of the conditions at that particular period of time.

Honourable senators, all of these are important considerations which bear directly upon the matter at hand, but there is one other aspect which is of the utmost importance when we review this subject, and that is that payments to claimants are statutory and not discretionary as far as the Unemployment Insurance Commission is concerned. It is for this reason, in particular, that I consider this ceiling to be inappropriate. It just does not seem reasonable that we guarantee certain payments to claimants because of the laws that we have passed in Parliament, and the fact that they themselves have made contributions, and then find ourselves without the funds to pay them. This is, of course, the position in which we find ourselves at the present time if this bill is not passed. The commission must, at all times, have access to sufficient funds to pay the legal claims of the unemployed, regardless of the level of unemployment.

I know that there is no honourable senator who could conceivably visualize a situation wherein the denial of benefits to qualified claimants would be imposed. Accordingly, I would respectfully solicit the earnest consideration by all honourable senators of this bill, with the hope

that the amendments it proposes may be implemented at the earliest time.

Before I resume my seat I would indicate that it is my intention in due course to move that this bill be referred to the Standing Senate Committee on Health, Welfare and Science for further consideration.

Hon. Jacques Flynn: Honourable senators, I think the Senate as a whole should be extremely grateful to Senator Buckwold for having demonstrated without the shadow of a doubt the complexity of the bill which confronts us. It is not a simple bill, nor one which merely amends the Unemployment Insurance Act. It is a bill which has to do with the authority of Parliament versus the authority of the government. It is a bill which stems from very real problems, very deep difficulties. And we are faced with an ultimatum: Pass it or some people will suffer.

Of course, it was not an easy task to explain this bill. I can understand why the Leader of the Government would not undertake it himself but would pass it on to one of his most devoted servants. Senator Buckwold is not only devoted, but able and courageous—more so I would say, than the Leader of the Government in the present circumstances. This bill demonstrates the government's lack of responsibility, its total lack of responsibility toward the people of Canada. I am not certain how I should qualify the conduct of the government in this case, but I believe I'm right when I describe it as misconduct. This is the least I can say about what the government has done in the circumstances.

The Senate is not able to consider this bill adequately today. It will do it nevertheless, but it will not discharge its duty. It will do half a job, as it has been forced to do in many previous circumstances. It stems from mismanagement of Parliament. It is characteristic of the present government. I could quote, I could cite, I could recall many previous occasions, but I will mention only the tax reform bill. There has been discussion about whether we discussed that sufficiently or not. Senator Cook said we did. But yesterday Senator Beaubien said we did in one way, but we did not in another way. I would say that Senator Beaubien is closer to the truth than Senator Cook.

• (1540)

We tried to do some work in advance, as was suggested by Senator McIlraith. That is a good idea. But that will not replace the job that we have to do after a bill is passed by the other place. We have to review it then, as it comes to us, and in the light of the discussions which have taken place in the other place. We did that in the case of the tax reform bill, we did it on the white paper, we did it on the bill itself.

Hon. Mr. McIlraith: I rise on a question of privilege. I am sure the honourable senator does not wish to leave the wrong impression about the remarks I made earlier. I did not suggest that it would be a substitute. I did suggest that it would alleviate the problem to some extent. I still believe that.

Hon. Mr. Flynn: I said it would not be sufficient. The proof lies in the very special circumstance of the passage of the tax reform bill. We spent many hours studying the white paper and the draft bill, and when the bill came before us we passed it without considering the recommendations we had made, because the minister told us, "Well, these are too complicated. We will bring in an amending bill." That amending bill has yet to come.

If we do not do our duty when it is time to do it, the occasion may never return. That is the point I want to make. I am not in disagreement with Senator McIlraith. On the contrary, I agree with him. I have always been in favour of doing what he suggested.

When a bill is before us, after having passed the other place, we should have the occasion and the time to reflect upon it. I do not think we have that with regard to this bill, which is much more difficult than it appears.

It may be simple to say, "We are asking you only to remove the ceiling of the advances that the Minister of Finance may make to the Unemployment Insurance Fund." All right. That is simple. But where does it lead us? Let's consider why a ceiling was imposed to begin with. There are two questions to be asked: Why was there a ceiling, and why are we asked to remove it?

When we consider those questions, when we consider the complex and difficult figures and the huge amounts involved, we realize that the Senate, however talented its members may be, is unable to make a proper assessment and pass proper judgment on a bill of this importance in a few hours or even a few days.

But we have no choice. I think we are all in agreement on this side—and I do not need to seek the agreement of the other side—that we should pass it by tomorrow night. But we shall not have done our duty. We shall not have done what we are here for, which is to give sober second thought to this matter.

I have great sympathy for those people who are waiting for their cheques. We have been told before, with regard to old age pensioners, that people were waiting for their cheques. In that case the cheques amounted to about $15 each. A so-called generous increase in the pensions was six months in arrears, and the government invited Parliament to vote, I think it was last year, an increase of something like $2 a month or $2.42. I cannot recall the exact amount. Anyway, the amount involved for each old age pensioner was about $15. We were told, "If you delay this, they will not get it in July, and they have to get it, otherwise we are going to say to old age pensioners, 'It is the fault of the Senate,' and worse, 'It is the fault of the Conservative senators who would not forego their right to discuss the bill and pass it with their eyes closed.'"

Hon. Mr. Phillips: More specifically, you and I would get the blame.

Hon. Mr. Flynn: Probably. The sponsor of the bill told us that it was certainly a mistake to include in the present Unemployment Insurance Act a clause which provides a ceiling of $800 million for the advances which the Minister of Finance may make to the fund to carry on the statutory obligations it has towards the unemployed.

If it was a mistake, it was a mistake of that government which my honourable friend supports. There must have been a reason for having a ceiling of that kind.

Agreed, there may be miscalculations when a ceiling is established, but there is a principle behind a ceiling, namely, that a government should not receive a blank

cheque from Parliament and be able to dispense public funds at its will.

I am not suggesting that has happened. But, I suppose, in an electoral period, a government may feel it needs the help of the unemployment insurance fund. It invites anyone who is unemployed, for whatever reason, to apply for unemployment insurance saying, in effect, "You are going to get it." It is a very useful and practical instrument for buying votes. I am not suggesting that was done, but it could have been done, and some people have suggested that it was done. I do not know about that myself, but I have heard it said.

It is funny that this situation happened so quickly. Did the government know that it was going to happen, or did it not? If it did, it should have proceeded otherwise. If it did not, the situation, as it affects the government, is worse.

The principle of a ceiling is a good one. There is no doubt about that. Perhaps $800 million was not a realistic figure. However, that being the case, the government should have known prior to dissolution. If a billion and a half was required, it could have asked Parliament to approve it during the last session of the 28th Parliament. It could have asked on September 1. It should have asked on September 1, I suggest. I will come back to that later.

• (1550)

What, in fact, are the causes for this bill's being before us? There is provision in the present act for advances by the Minister of Finance up to $800 million to the unemployment insurance fund. Parliament was dissolved on September 1, and on October 5—less than five weeks later—the first Governor General's warrant was sought and obtained in the amount of $234 million. Five weeks. Of course, Parliament was dissolved at that time. We had nothing to say about it. If the government had acted in good faith it could have, of course, availed itself of section 23 of the Financial Administration Act, which I shall read in a moment.

I asked a question of the sponsor of the bill, but he was very vague in answering. I am not blaming him for that. Section 23 of the Financial Administration Act is a very important section and one which, I feel, senators should give some thought to. It reads as follows:

> Where a payment is urgently required for the public good—

And I underline "for the public good."

> —when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made, the Governor in Council, upon the report of the President of the Treasury Board that there is no appropriation for the payment and the report of the appropriate Minister that the payment is urgently required for the public good, may by order direct the preparation of a special warrant to be signed by the Governor General authorizing the payment to be made out of the Consolidated Revenue Fund.

The first thing I want to underline is, "when Parliament is not in session." As far as this is concerned, I think it is most likely an error. Senator Forsey, who is very knowledgeable in these matters, says that it has been used between sessions on many occasions, but not after dissolution.

Hon. Mr. Forsey: Excuse me, Senator Flynn, but I did not actually say that it has been used between sessions but not during dissolution, because I think it has. The point I was making is that it has been used when Parliament is not in session after a dissolution. That is what has happened, and that is what I was referring to. I think the other thing has happened, though not on the same scale.

Hon. Mr. Flynn: That is the very point I was trying to make. That is the point of difference between the case when Parliament is not in session, which means that Parliament is still in existence with the two chambers, and when Parliament is dissolved, as was the case after September 1, until the writs were returned some time early in December 1972.

I do not think Parliament ever intended to give the government a blank cheque for the periods when Parliament is in existence and need only be called back into session to approve an appropriation. I am not speaking of insignificant amounts or anything that can be arranged easily. I am quite sure that in many cases that has happened. However, this is not the case here. This concerns a figure of $454 million, which is not peanuts, even by Mr. Howe's standards.

I completely disagree with the purport or the meaning of section 23 of the Financial Administration Act as interpreted, or even as written. I take objection to the words, "when Parliament is not in session." Parliament has practically always been in session for the last 10 years. We hardly had a time when Parliament was not in session. It was merely adjourned. As honourable senators are aware, the practice has been to terminate a session and open a new one the next day. The summer, Christmas or Easter recesses do not apply in this case. Parliament is in session; it is merely adjourned. The government cannot use this section in those circumstances. If it does want to use it in those circumstances, then I suggest to honourable senators, if one wishes to be legalistic about it, that it would not apply when Parliament is dissolved. It speaks only of when Parliament is not in session. In this instance Parliament was dissolved, and therefore this section should not apply.

In any event, whatever meaning one wishes to put on section 23 of the Financial Administration Act, what were the facts? As I said before, on October 5 the first warrant was obtained in the amount of $234 million. I cannot believe that on the first of December, the last day of the 28th Parliament, it was not foreseen that the fund—

Hon. Mr. Lamontagne: The first of September.

Hon. Mr. Flynn: Yes. Did I say December?

Hon. Mr. Lamontagne: Yes.

Hon. Mr. Flynn: I apologize. I stand corrected.

Hon. Mr. Grosart: We could have sat in December, too.

Hon. Mr. Flynn: Yes. I will be referring to that later on. Perhaps I am going a little bit too fast.

I cannot believe that on September 1 the government could not have foreseen that the fund would require refunding before the election was to take place. Of course,

the government had other preoccupations at that time. It called Parliament back to deal with the legislation respecting the strikes at the West Coast ports. Again, that bill had to be passed in a day.

It is a habit, a characteristic, of the present government that Parliament has to act quickly all the time. It does not give Parliament an opportunity to think. The government feels that it has done all of the thinking in advance. I do not say that this is the attitude of Senator Martin. He has been a long time in Parliament and in government, and has served under Prime Ministers of a type other than the present one. Some of them were rather more cautious and less arrogant as far as Parliament is concerned. I realize Senator Martin has to accept the collective view of the government. Solidarity is one thing that the Leader of the Government respects, and that is probably one of the reasons he did not sponsor this bill himself.

Hon. Mr. Martin: You cannot provoke me.

Hon. Mr. Flynn: I know I cannot provoke you, but I like to try.

Hon. Mr. Martin: I have been around too long.

• (1600)

Hon. Mr. Flynn: In any case, on September 1 the government should have known it would need additional funds to meet the requirements of the unemployment insurance fund. Therefore, if the ceiling of $800 million was insufficient, it was at that time that it should have brought in legislation. It is quite obvious that it did not do so, and that for electoral reasons. It would have had to admit that the unemployment situation was as serious as the Opposition parties were saying it was. It was only during the election campaign that we heard about the depletion of the fund and so on, but it was a mathematical discussion that did not go too far, although far enough to put the government, on the evening of October 30, in a very difficult position, from which they have not yet been able to extricate themselves.

The first warrant was issued on October 5. Then the election took place. The writs are usually returned about four weeks after the election. When was the second warrant obtained? On December 14. We remember very well that all the Opposition parties were asking the government to call Parliament at the beginning of December. Had Parliament been called at that time, it would have been able to act. If the government had explained frankly that it needed the lifting of this ceiling to provide for payments to the unemployed, as is indicated in the bill, Parliament would have been able to make a decision at that time. But, of course, the government had other preoccupations. It wanted to delay the calling of Parliament as long as possible because it was not in a position to present any program, certainly not any program based on its electoral platform, which had been completely rejected by the electorate. The government got the second warrant, when Parliament could have been called, which would apparently take it to today's date. The sponsor of the bill has indicated the fund is exhausted as of today.

According to Senator Buckwold, about 50,000 people entitled to benefits will not receive a total of $6 million if the bill is delayed a day. The number entitled to benefits will rise to 125,000 persons, and the payments that will not be made will reach the sum of $9 million. I have seen figures which indicate that this will increase very substantially for every day that the bill is not assented to. I am not too sure that the government would not be happy to see it delayed in order to be able to say, "Well, it is not our fault if you are not paid." Knowing the mentality of the Liberal Party over the years, I would not be surprised at that kind of approach to this delay in presenting the bill.

Hon. Mr. Lamontagne: The divine right.

Hon. Mr. Flynn: There is nothing divine about it. It is, I would say, a very earthy philosophy.

Hon. Mr. Phillips: Surely Senator Lamontagne is not suggesting there is anything divine about Senator Martin.

Hon. Mr. Flynn: This, honourable senators, is the situation in which we find ourselves. There was miscalculation on October 5. I would say there was miscalculation before that, on September 1. Indeed, I would like to have clarified in committee tomorrow by the chairman of the commission exactly what took place between him and the then Minister of Manpower and Immigration. We have been told, but I would like to hear from the chairman directly whether the minister should have known, was told, or should have been told that the fund would run out in the five weeks following. There was miscalculation on that date for sure.

There was also miscalculation on December 14, and that is less excusable, because at that time Parliament could have been called, and the government could have told Parliament frankly, "We are calling you because the act says that the total amount outstanding at any time of advances made under this section shall not exceed $800 million." That is what the act says. But the government ignored the act and used section 23 of the Financial Administration Act in a way which indicates that it is more powerful when Parliament is not sitting, that it can do more without Parliament than with Parliament. This government has been acting in a way which indicates it feels more comfortable when Parliament is not sitting, that it can do whatever it wants.

After all, this $454 million has already been spent. There is nothing we can do about it. The government has demonstrated it is convinced it can act without Parliament in a freer way than when Parliament is in session. That is the practical conclusion to be drawn from the attitude of the government and what the President of the Treasury Board has said.

I have to be fair to him. When he appeared before the committee yesterday I asked: "If Parliament had been in session would you have proceeded through the appropriation in the supplementary estimates or by way of legislation?" He replied, "Of course, by way of legislation." It is quite clear—this is the thinking of the Auditor General, and I cannot conceive of any legal adviser who could give a contrary opinion—that if an act of Parliament tells the government it cannot make advances of more than a certain amount, then it can do it through Governor General's warrants; it can legislate through Governor General's warrants. That is what it amounts to. This proves the point I made a moment ago. If the government was right in those circumstances, it might as well dispense with Parliament; it can get along much better without Parlia-

ment. And this has, of course, been the tendency of the present administration. It is quite obvious.

• (1610)

I am not sure if Senator Martin was always in agreement. Probably in some instances he just cautioned his colleagues, because he is always very cautious here. I suppose he is also cautious in cabinet; but solidarity, solidarity first, and, above all, the party, and the government.

Hon. Mr. Martin: Get on, boy. I am enjoying this. You are making a good speech.

Hon. Mr. Flynn: I know you are enjoying it, because you probably made it in cabinet—this speech—and they would not listen to you. I have seen that on previous occasions.

Hon. Mr. Lamontagne: You probably made it, too.

Hon. Mr. Flynn: The minister was likely overruled by his colleagues. But now the facts have proved him right. How good it must make him feel to hear the Opposition bring this very point before the House or before the Senate.

Hon. Mr. Lamontagne: You probably made it, too, in 1962.

Hon. Mr. Flynn: I did not have much time, I must say. My tenure was not much longer than that of Senator Lamontagne. It was even shorter. I did not have much time. I sat in cabinet from late December until July, but there were only three months when we were not electioneering so I did not have much time to do it.

If my memory serves me correctly—and I think Senator Walker will support me—I think everything went very smoothly. The result of the election was not as good, but it was better than that experienced by the present administration on October 30.

I say again that this bill proves mismanagement, and the deliberate hiding of facts from the public for election purposes. It shows contempt for Parliament, because it contends that it is better to use Governor General's warrants than to have Parliament make a decision.

I cannot accept this interpretation of section 23 of the Financial Administration Act. I cannot accept the effect of section 23 with regard to section 137 of the new Unemployment Insurance Act. I cannot accept the amendment contained in Bill C-124 which would give a blank cheque to the government which would enable them to do what they did in October and December, especially what they did in October during the election campaign—to do it again without having to account to Parliament, without that type of admission, or confession of mismanagement, maladministration, which is contained in Bill C-124. This is a bad bill; it is just trying to correct faults, errors, miscalculations, and probably something worse that I dare not describe. There should have been a raising of the ceiling, but not a total lifting of the ceiling in order to permit the government to do even worse than it has already done. What it did was bad enough.

I am not too sure that the people of Canada as a whole, or the unemployed who may be receiving their cheques one day late, will understand exactly the problem that forced the Senate to take at least two days to consider this bill. As far as I am concerned, I am not afraid to say to the public of Canada "We had to take at least two days to consider this because we were trying to help you. It may be that you received your cheques a day or two late, and it may be that the delay is a matter of great concern to you. But we in the Senate, though we appreciate your concern, have to go a little further than that; we have to assume our legislative responsibility."

I think this bill is a bad bill and on second reading, as far as we on this side are concerned, we will vote against it.

Hon. Eugene A. Forsey: Honourable senators, I do not wish to delay the proceedings unduly and I do not wish to stand in the way of Senator Manning's observations, but there are one or two points on this business of the Financial Administration Act and its use, and the use of its predecessor which goes back to the time of Confederation, which I think should be cleared up.

I could not quite make out exactly what point Senator Flynn wished to make. Sometimes he seemed to say that the act should not be used—that the Governor General's special warrants should not be used—simply between sessions of a parliament. Sometimes he seemed to say that the act should not be used—the Governor General's warrants should not be used—when Parliament was in existence but not in session, after an election.

Honourable senators, it has been used over and over again, this and the predecessor act where the section was slightly differently worded but amounted to the same thing. It has been used, as I said in my interjection a few minutes ago, over and over again, after an election and when Parliament was already in existence, when the writs had been returned but Parliament had not met.

In 1896, for example, Parliament was in existence for a month and six days after an election, after the writs had been returned, and the country's business was being financed by Governor General's special warrants. Sir Charles Tupper made a tremendous to-do about this in the House of Commons. He said it was grossly improper, that the section was intended only to stop leaky roofs and that sort of thing occurring between sessions. But the fact remains that the section said: "when Parliament is not in session."

The same thing happened again in 1911 when Sir Wilfred Laurier's government secured a dissolution, before supply was granted. It was absolutely necessary for Sir Robert Borden to use Governor General's supply warrants to finance the business of the country until Parliament could be called at a reasonably early date, which was one month and eight days after the writs were returned.

In 1926 the same thing happened. There was a little over a month when Parliament was in existence but not in session—it could have been summoned but was not—and at that time it was done to the tune of hundreds of millions of dollars.

Again in 1940 after the session of Parliament, that historic, that unique one day—three hours!—session of Parliament, which is one of the major constitutional achievements of a former Liberal leader.

Hon. Mr. Flynn: It was Mackenzie King.

Hon. Mr. Forsey: It was done in the same way. That is right. Senator Flynn and I both know what we think of

that performance. I think it is one thing on which we find ourselves in complete harmony.

In 1958 there was a shorter period, but again Parliament had been dissolved when the supply had not been voted, or full supply had not been voted, though in that case Parliament had come into existence but could not be conveniently called for some length of time, and the business of the country was financed by Governor General's special warrants.

Hon. Mr. Flynn: Five weeks.

Hon. Mr. Forsey: I wish to add one thing, and I do so with some diffidence, because Senator Flynn, after all, is learned in the law and I am not. He apparently overlooked subsection (5) of section 23 which seemed to envisage something that no one has referred to yet in this context. Subsection (5) says:

• (1620)

> For the purposes of this section, Parliament shall be deemed to be not in session when it is under adjournment *sine die* or to a day more than two weeks after the day the Governor in Council made the order directing the preparation of the special warrant.

In other words, there is even actual provision in this section for the use of warrants during a relatively prolonged adjournment of Parliament, even during sessions. So that I am afraid that particular part of Senator Flynn's argument scarcely stands up.

I am not discussing the issues of principle which he raised, which are important. Possibly he should be taking steps to ask for an amending act.

Hon. Mr. Flynn: That is what I indicated. It may be that the wording should be interpreted as you say, but, if so, the government is more powerful without Parliament than with it.

Hon. Mr. Forsey: I am not discussing that issue of principle. I just want to get certain facts clear at the moment.

The final thing that I intended to say—by Jove! I think Senator Flynn's interjection has, perhaps, happily turned my mind away from it.

Hon. Mr. Flynn: I am sorry.

Hon. Mr. Forsey: Oh, yes, the final thing I intended to say was that this act, the present Financial Administration Act, was adopted—I have forgotten in what year, but long after many of these events that I have described took place—and when it was adopted it embodied substantially the same provisions as the old act, which according to Sir Charles Tupper had been misused and Parliament did it apparently with its eyes wide open saying, "All right. We know that this is going to cover things which don't bear any resemblance to leaky roofs and the rest of it. We know that it's going to be used in this way because it has been used again and again; it will probably have to be used again." But Parliament deliberately adopted the wording in the present act and, therefore, presumably it intended that the act should be used, although not necessarily in precisely the fashion that it has in this instance.

I agree with Senator Flynn that the warrant of December 14 is on a somewhat different basis from the earlier one, but Parliament did contemplate, it seems to me, when passing this revised act that some such use should be made of this provision as has been made in this instance.

I simply wanted to get those facts clear before the bill went through any further proceeding, because I think it is important that people should be clear about what the legal situation plainly is, as it seems to me.

Hon. Mr. Lamontagne: May I ask a question of Senator Forsey? Did I understand him to refer to the events of 1962? I think those events are most relevant to our discussion at the moment.

Hon. Mr. Forsey: Yes. I think the same sort of thing has happened since 1958, but my recollection was not clear and as I had not the time to check the facts exactly I thought it was more prudent not to lay myself open to the shafts of Senator Flynn and his colleagues by relying on my recollection, which is in accord with what Senator Lamontagne mentions. I wanted to rely simply on the things which I scooted down to the library to verify before I rose to make these remarks.

Hon. Mr. Flynn: What you say would go to prove that we would need a few days to argue this.

Hon. Mr. Thompson: I should like to point out to Senator Forsey that in Ontario I know there is a wide use of Lieutenant Governor General's warrants between sessions by the Ontario government, and I assume there is similar usage in most of the provinces.

Hon. Mr. Forsey: There is a similar act on the statute books of all the provinces, or there was a few years ago when I looked into the matter. The act disappeared by accident from the Nova Scotia statute books for a while, but that was a sheer oversight which was corrected after some years when the Deputy Attorney General noticed that it had been left out in the revisions.

From recollection I cannot verify what Senator Thompson has just said about the use of warrants between ordinary sessions, but I do know that in various provinces the same sort of thing has happened after an election, when the new legislature was in being but had not met, notably, I think, in Ontario, perhaps after the election of 1943—I think it was 1943; I am not sure, but it was one of those times—a very large expenditure was made. The same thing happened in Quebec in 1892, I think, after the dismissal of the Mercier government. A search of the provincial precedents would, I am sure, show the same kind of thing.

Of course, Senator Flynn might well reply that that does not affect the principle of his argument. He would merely say that this compounds the satanic ingenuity or carelessness or incompetence to which he referred.

Hon. Mr. Flynn: Hear, hear.

Hon. Mr. Forsey: I do not make those adjectives my own. I am placing them hypothetically, as it were, in the mouth of Senator Flynn.

Hon. Mr. Flynn: They were very well put.

Hon. Mr. Thompson: If I may just add a word, I wish that at the time I was in the Ontario legislature I could have spoken about the use or abuse of Lieutenant Governor's warrants with the brilliance and incisiveness with which Senator Flynn is now attacking the Liberal govern-

ment. I might have been a more effective Opposition leader.

Hon. Mr. Phillips: Honourable senators, I should like to ask Senator Thompson, in view of his brilliance today, if he does not feel some form of regret that he did not achieve that while he was Leader of the Opposition in Ontario?

Hon. Mr. Thompson: I have just said that I only wish I had the oratorical ability of your leader. I will always aspire to that.

Hon. Mr. Phillips: You are too kind.

Hon. Ernest C. Manning: Honourable senators, having regard to the time element my comments will be very brief. The circumstances under which we are discussing this bill are another example of how this chamber is being prevented from properly performing its responsibilities. It has become very apparent to me in the relatively short time that I have been here that the greatest single impediment to this chamber's discharging its constitutional responsibility is the total disregard for that responsibility in the other place. They have in their power the means to order the conduct of public business in such a way that this chamber could be accorded the time it properly requires to give that serious second thought for which the Senate was constituted. This they repeatedly fail to do.

This has been a disturbing discovery, because it raises in my mind at least the propriety of accepting remuneration from the people of Canada for trying to do a job for them which we are prevented from doing by circumstances beyond our control.

Turning now to the bill before us, I have been surprised that little, if anything, has been said about the major reasons why the statutory ceiling for advances has been exceeded. Those reasons are primarily twofold: first, the extension of benefits under the Unemployment Insurance Act, which has placed far heavier financial demands upon the fund and has also created opportunities for abuses to a greater extent than before; and, second, and of course the major cause, the marked increase in unemployment in Canada in the past two years.

• (1630)

As far as the abuses are concerned, I will not take time to discuss them, other than to say that there is a great deal of concern on the part of many people that the Unemployment Insurance Act as it presently stands is providing incentives for people to quit employment, when they would not otherwise do so, and refuse employment or certainly not to seek employment in cases when it is available if they were prepared to take it.

It is fair to say that those whose main objective has been to discredit the present government have exaggerated these abuses. It is equally true to say that the government has minimized the extent of these abuses, and the concern that the whole situation relating to unemployment insurance has created on the part of a great number of employers and, to some extent, on the part of the Canadian people as a whole.

Most people will agree that the principle of unemployment insurance is basically sound. The concept with which we started out was that there would be premiums paid by the employee and the employer which would provide certain benefits to employees who became unemployed. With the passage of time, one of the unfortunate things that happened to this legislation is that it has been moved farther and farther away from the sound concept of unemployment insurance, and turned to a large extent into legislation to provide social welfare assistance.

It seems to me that these two things should have been kept distinct and separate. Once we attempted to turn an unemployment insurance act into a broad social assistance program, then, of course, we got away from the sound principles of insurance, and we opened up all kinds of avenues that lead to abuses and controversy.

I am not suggesting for a moment that the thousands of additional unemployed people who have benefited by these extensions of the provisions should not have been taken care of. My only point is that surely in the light of experience it would have been better to take care of those people under some separate or supplementary legislation rather than including them under the Unemployment Insurance Act.

The inclusion, for example, of a great many categories of very seasonal and temporary employment has led to all kinds of complications. Many of these people are employed for a very short period of time. They are, perhaps, faced with problems caused by lack of skills which would enable them to hold down more permanent jobs. While these people should be taken care of, I suggest that you cannot successfully mix that category of employee with those engaged in more permanent employment, and still expect to have an unemployment insurance act that will not be open to all kinds of abuses.

Attempts have been made to supplement the unemployment insurance fund by adding some categories which in all probability will never receive any benefits from the fund. This is true of certain professional people, certain self-employed people, people who never will benefit in any way—at least there is very little possibility of their doing so—from being covered by unemployment insurance. The only reason for adding them apparently was to supplement the unemployment insurance fund. If it was necessary to supplement the fund, that should be done by the people of Canada as a whole and not by singling out certain categories of employees who will not benefit from the fund, and making them pay contributions in order to provide a measure of subsidy.

I do not know what will be done about this matter in the future. I hope that somewhere along the line, perhaps in this house or in the other place, some one will make a thorough review of this whole matter of unemployment insurance with a view to getting it back into the field of true insurance by removing those categories of temporary employment which can be better provided for under supplementary legislation, rather than having them intermingled with those who may properly be regarded as insurable employees.

This suggestion of course raises the question as to the extent to which the taxpayers of Canada should supplement an unemployment insurance fund. Most people would agree that there would have to be some degree of subsidization. But if that premise is accepted, might it not be a much sounder proposition to have a basic scale of

benefits which would be provided exclusively from the premiums paid by both employers and employees, and a supplementary unemployment benefit provided from the public treasury.

If that was feasible—and I am not going to take the time now to advance arguments as to why I think it is feasible—I suggest it would be more equitable to the Canadian taxpayers if the supplementary benefit was not geared to a statutory commitment to pay certain benefits, but rather was on a per capita basis. A payment from public funds on a per capita basis to those who are unemployed would eliminate this blank cheque technique of a government being able to adjust benefits even without the consent of Parliament, thereby creating a demand on the public purse over which Parliament has very little, if any, control. That is one of the valid criticisms of the particular bill we are now discussing.

Just one further comment, honourable senators. The second and certainly the major reason why we are faced with this $800 million deficit in the fund is the high level of unemployment in Canada in recent years. If ever we have seen an example of Parliament dealing with effects rather than causes, we have it in this legislation. I would have been much happier if Parliament had spent time trying to formulate policies that would effectively come to grips with the problem of unemployment in Canada, thereby relieving the pressures on the unemployment insurance fund, rather than debating whether they should or should not, or whether it was legally proper or improper to, remove a statutory ceiling so as to place a blank cheque in the hands of the government no matter how high unemployment costs may rise.

• (1640)

Hon. David A. Croll: Honourable senators, I realize this is not a good time to rise to my feet for fear of ruffling some feathers. This is not my intention.

As I understand it, this bill will pass tomorrow, and everybody will be happy it passed. That was really a major item. I heard Senator Flynn speak. If I were sitting in his seat I should like to make a speech as good as he has made, and from his point of view. Other honourable senators have complained about the Senate being kicked around. That is a natural hazard in the Senate. You have to expect it. You always turn your other cheek. You are going to get it whether you are right or wrong.

Senator Cook indicated we spent money on studies. That is not so important. We spent 50 days on that tax bill before it came over here. No one pays any attention to this. There is no use repeating it. Everyone says, "You receive the bill and in three days you pass it." That is not true. You just do your job here, that is all, and sooner or later they will come to recognize what you are doing is in the public interest.

Hon. Mr. Flynn: After we disappear they probably will.

Hon. Mr. Croll: Let us look at what Senator Flynn has said. He accused the government of mismanagement, contempt for Parliament, and bad administration. I believe that was all.

Hon. Mr. Flynn: Oh, there were other complaints as well.

[Hon. Mr. Manning.]

Hon. Mr. Croll: In so far as I am concerned, I plead guilty. We are guilty of all those offences. But who suffers? We will have money for coffee and milk, and everything else tomorrow and the next day. But lots of people will suffer, I am told, and I have to take that as the truth. I was impressed when I read the evidence of the unemployment insurance commissioner. He said that 125,000 people will be badly affected.

I do not have to tell honourable senators that the old age pensioner waits to see if the postman has brought his cheque in the morning. People on welfare have already spent their cheques before they receive them, and they wait for them. Veterans are in the same position. I do not say that all of them are inconvenienced or hurt, but some will suffer. They make arrangements for shopping on a certain day, and being picked up and taken certain places. In small towns when the cheques do not come through there will be disappointment.

We will pass the bill anyway, and that is all very good. But I am suggesting we are taking it out on an innocent third party. What difference does it make who wins the argument here? Out there amongst the people, they will say, "Those parliamentarians are stupid. They cannot run anything." We do not raise our stature in the country in that way.

This is not what we want to do. We want to feel that we have the right to stand up for our views, as Senator Flynn did, and as we on this side of the house did. We are wrong and we ask for forgiveness. You can whack us if you like, but there is no reason to whack those innocent people who will be hurt. If you do not believe what the commissioner says is true, my argument goes out the window. But I assume Senator Buckwold has received his information properly. I have seen some notes around here which would indicate this is true.

In these circumstances do not we have to say, "All right, it is going to be law tomorrow, but should it not be law today?" We can go on and say what we have always said, "Don't ever let this happen again," but it will happen again. When it does happen again you can whack us, but not in this case.

A lot of poor people claim they are pawns in the game of life. They have not anything to do with their own destinies. This is one of the proofs that Parliaments move them around and treat them in that way. It is not fair. The results of our mistakes are not to be inflicted upon 20,000, 50,000, 100,000 or 125,000 people. It is not fair.

I make a plea to the Leader of the Opposition, who was not used well in this matter, and ask, "Is this a case for putting your foot down?" Believe me, I would like to have taken Senator O'Leary's position, but I do not have the guts to do this. I do not have the credibility to do that in these circumstances because it affects many people who look to us for guidance and help in getting out of jams into which we have put them. For this reason I think the Leader of the Opposition, on reflection, and particularly if we should have a committee this afternoon—

Hon. Mr. Flynn: Tomorrow.

Hon. Mr. Croll: I cannot argue with him. It is his privilege and right. But I suggest to him this is not a case for sitting on our rights.

Hon. Mr. Flynn: The people of Canada have a right to know why their cheques will be delayed.

Hon. Frederick William Rowe: Honourable senators, I have no intention of unduly delaying this bill because it is urgent, and indeed, I suppose this is a critical matter. However, there are a couple of points I wish to make before we vote on the motion.

First, I should like to congratulate our colleague, Senator Buckwold, for his excellent presentation this afternoon. Obviously he did a great deal of homework on, I should think, fairly short notice. He performed admirably, and has done a great service for the Senate this afternoon.

I wish to make some comments regarding the treatment of the Senate by the other place and, indeed, to discuss the whole matter of Senate reform but I will not do it this afternoon. I am a new senator with no preconceived ideas about the Senate's role. As far as I am concerned, I shall endeavour to bring some fresh thinking—for me, that is—to bear on the subject, and I hope to discuss this matter when Senator Croll's motion is under consideration.

I go along with what Senator Manning and some other honourable senators have said this afternoon. It is ironic that some of those who are most vociferous in their demands for abolishing the Senate, or at least for Senate reform, are numbered among those who are making it impossible for the Senate to carry out its constitutional responsibilities. I think this is something which should be brought increasingly to the attention of the Canadian people. I will elaborate on that at a more appropriate time.

• (1650)

There is one other point I should like to make, of which I was reminded by the remarks made by Senator Manning, whose long and distinguished experience in public life in Canada in my opinion makes it imperative that when he comments on matters such as this we should pay very careful heed. It seems to me that we have been fooling ourselves here in Canada by thinking that in some way or another we, by application of welfare measures in the broad sense of the term, including unemployment insurance, can solve some of the basic difficulties in our economy.

Among those difficulties is the fact that so much of our employment, through the fault of no one in particular—I think it rather silly to blame it upon this or some other past administration—has of necessity to be seasonal. In my own province—and this, I think, applies almost equally to some other provinces; certainly to New Brunswick and, to some extent, Nova Scotia and Prince Edward Island and, indeed, to a large segment of Quebec and other parts of Canada—the main avenues of occupation are fishing, logging, and construction work. Now, I cannot foresee that at any time in the future those occupations can be anything but seasonal. We are fooling ourselves if we think that they will ever be permanent.

I know of no way whereby fishing on the Grand Banks of Newfoundland can be permanent or continuous in the sense that a secretary's work here in the Senate is continuous. I know of no way whereby a logger can log pulpwood in New Brunswick or Newfoundland continuously, five days a week for 49 weeks a year. It cannot be done. The same applies even more strongly to construction work, of which so much is carried on in Labrador and northern Canada. Therefore, in my opinion, we are fooling ourselves if we think or pretend that we can solve that problem by means of unemployment insurance or any other palliative of that nature.

I am subject to correction in this, but I cannot recall that there has ever been a serious study on seasonal employment carried out. I know that peripheral studies have been made—"tangential" I suppose is the word for it—but a study has never been made specifically, so far as I know, of the problems of seasonal employment and unemployment in Canada. In my opinion that is something which is indicated and urgently necessary in our consideration of this whole matter of unemployment insurance. A study should be made of the problems of seasonal employment in Canada.

I am very happy to second and support the motion of my colleague, Senator Buckwold.

Hon. Hartland de M. Molson: Honourable senators, I am a little hesitant to rise again today but, after all, the leader having been given permission to go on with his motion, I think I might perhaps be excused if I add a few words.

Hon. Mr. Martin: Certainly.

Hon. Mr. Molson: I wish to do so because I made remarks on the subject outside this chamber, and I should repeat one or two of them here. In the first place, I would be very disappointed if this bill was really delayed. There is no doubt in my mind it is essential that the bill be passed, but I still do not think that it should be passed without some criticism of some of the circumstances which make it necessary. As Senator Manning said, we should perhaps consider cause as well as effect. At this point I must say that I agree wholeheartedly with the observations of Senator Manning and, in fact, there are spots in my remarks which will perhaps be repetitious.

Unemployment insurance was created for a valid and unquestionably good reason, which was quite simply that the employer and employee, by paying premiums into a fund, insured that the employee, in the event that he ceased to hold his employment, would receive money from the fund, hopefully sufficient to tide him over until he could again find gainful and compatible employment. It was a very simple, sound objective but over a period of time this purpose has somehow or other been deviated from, so that now we have part unemployment insurance and, in fairly large measure, welfare benefits.

What disturbs me is that I feel that there has been some lack of frankness in this development. I do not think and am not suggesting that it is wilful, but I am suggesting that somehow or other the changes have not been fully appreciated by the public. Many, perhaps most, taxpayers did not realize what was going on until the enormous deficit of these last few months, the last year, amounting to $1 billion, no longer could be disguised. In my very humble judgment, the shock of this realization was one of the factors responsible for the results of the last federal election, because I have great respect for the intelligence of the ordinary person.

Among several other factors, I detected great resentment of the bungling in this matter, as was also obvious in

the mismanagement of immigration. This is quite apart from some other factors, I admit. It is obvious that people want not only faithful stewardship, but a reasonably competent level of it.

You may wonder why I say unemployment insurance is no longer unemployment insurance, but I would point out to you that this fund is in some cases being used to give a bonus or, if you prefer, a return of premiums to persons who are in no sense needy. For example, some who retire on an adequate long service pension from a company or other organization at age 65 receive the federal old age pension, and then discover that they are entitled to up to 51 weeks of unemployment insurance benefits. The net possible result is that when they retire they frequently have more money for the next year than they ever had in their lives.

In addition, in my own province applicants to the provincial government for pension receive a letter telling them that they should register for their federal unemployment insurance benefits before the province deals with them. This, of course, saves the Province of Quebec a great deal of money. They do not pay the pension, because these persons, by drawing unemployment insurance, disqualify themselves. No one ever publicized this; I just found it out the other day, but I find it very questionable.

• (1700)

On page 12 of the booklet put out by Information Canada—which ought to be accurate and which compares the old and the new unemployment insurance acts—dealing specifically with the new act of 1971, there is a paragraph on retirement which says:

> This is payable to persons aged 65-70 who have had 20 weeks or more of insured employment during the qualifying period and who—on separation—retire from the work force. They will receive a lump sum equivalent to three week's benefit . . . The purpose of this benefit is to bridge the gap between regular earnings from employment and the receipt of Canada or Quebec pension plan payments.

Three weeks' benefit! I do not know where we get authority for 48 or 51 weeks, and I do not consider a person who retires on a good pension to be in any sense unemployed in the context of an unemployment insurance provision.

I should like to give an example which is factual, and which to my mind is unjustifiable in respect of unemployment insurance. In this case, the individual retired with a pension of $362 a month. He then received a pension of $82.88 a month from a grateful federal government. Had he not received unemployment insurance, he would probably have received about $70 from the provincial government, making a total of $515 a month. That is not a bad pension. But that person is drawing $356 a month from other Canadian taxpayers in the form of unemployment insurance for a period of 51 weeks, or nearly 12 months. That is $356 a month in addition to the pensions.

Honourable senators, I just do not think that is unemployment insurance. It is one of the reasons why we find enormous sums of money being put up by the government to meet the deficit in the fund.

Another area which I think is little understood is that of sickness benefits, which have appeared since the amendments to the act. Again, the principle has been changed from unemployment insurance to health or welfare benefits. There is also the delicate matter of pregnancy. Any woman who becomes pregnant after a very brief period of work can have her baby at the expense of the people of Canada, in addition to hospitalization and other benefits. Again, I find this a very questionable bending of the idea that unemployment insurance benefits are provided for individuals who are thrown out of work by economic circumstances.

I noticed, as I am sure did all honourable senators, the remarks which appeared in yesterday's newspapers saying that Ottawa caused the unemployment and should pay for it. The remarks were attributed to a late member of the government. I immediately wondered where Ottawa was going to get the money. It is the age-old question. It will certainly not be Ottawa that pays for it. Once again it will be all of us who will have to pay for it, and there is no doubt that the federal government will have to find the funds. But the amendments in the act were responsible for causing some of this unemployment.

There is no doubt in my mind that poverty in this country is far too widespread. I feel also that the level of welfare is lamentably low. However, I will not deal with that subject today, but will confine myself to speaking about unemployment insurance. There is no excuse for trying to cover the welfare field even in part, in a debate on the unemployment insurance fund—particularly if we are going to continue calling it the unemployment insurance fund.

The present situation is a result of those factors mentioned by Senator Manning, combined with a number of abuses. Abuses have been brushed off. There have been enormous abuses. Everyone in this chamber knows of abuses. Those combined factors are the reason for this enormous sum of money which Canadian taxpayers are asked to provide, and which in turn has brought forth this bill.

I want to repeat—in case I get misquoted, as I so often do, and come out as being opposed to unemployment insurance, or something like that—that I believe this bill should be passed, and should be passed without delay. At the same time we should realize that perhaps mistakes were made; that they were not made by a few but by Parliament. I doubt whether any of us realized the implications of the extra load we put on the unemployment insurance fund. Not many of us realized the change in benefits we were giving people. But those mistakes having been made, I hope, like Senator Manning, that the whole question will be gone into as soon as there is reasonable opportunity to sit down and examine it; that the unemployment insurance fund will resume its function of relief for the real unemployed as distinct from the well to do; and that our welfare benefits will be able to deal more adequately with poverty in this country.

Hon. Mr. Croll: I should like to ask the honourable gentleman a question. I do not in any way deprecate what he said. He gave us an example of a pensioner who received an unemployment insurance benefit and additional benefits, all of which added up to a considerable sum. My question is a self-serving question, I must admit.

Hon. Mr. Flynn: As usual.

Hon. Mr. Croll: Not as usual. Does my friend appreciate that the purpose of a basic income is to avoid exactly what he is talking about—in other words, a guaranteed income?

Hon. Mr. Molson: I think I do.

Hon. Mr. Croll: I wish other people understood it as well as you do.

Hon. Allister Grosart: Honourable senators, my remarks, in the main, will be entirely in support of the position taken by Senator Flynn, and will summarize and highlight some of the reasons why we on this side of the house criticize the bill and particularly the actions of the government which created the situation in which we find ourselves at this time.

A good deal has been said about the delay in bringing the bill here. I am not going to discuss the Senate's position or what might be called an affront to honourable senators. I am not on this particular occasion as much concerned with that as I am with the fact that this bill need not have been delayed in coming to us. This situation need not have been created. The only reason that we are faced with this situation today is mismanagement by the government.

• (1710)

Hon. Mr. McIlraith: It is because of delays caused by the Opposition in the other place.

Hon. Mr. Grosart: I am quite prepared to deal with the delays that might have been caused by the Opposition in the other place. However, the delays to which I refer, Senator McIlraith, with respect to the situation with which we are confronted today, go a long way back beyond this month or last month, which brings me directly to the point. Senator Flynn has referred to this, but I want to emphasize it.

We all know that the unemployment insurance account is "broke"—broke for a billion dollars. I use that word having in mind these components. The total cost of operating the fund for the year is $1,999,000,000. The total that could have been expected as income under normal circumstances—without warrants, and so forth—was $800 million, plus, if you like, the opening funds on hand at the end of 1971, which were about $236 million; so let us say approximately $1 billion. Now, what happened in the year? This fund at the end of the calendar year 1972 was broke for $1 billion dollars. The government, to make up the deficit temporarily and to make it possible for on-going benefits to be paid, resorted to a device known as Governor General's warrants.

What we are saying is that it was never necessary to have those warrants. What we on this side are saying is that Parliament was in session on September 1, and it was known that the amount on hand was not sufficient to pay the on-going benefits that would be required to the end of the year. I say to honourable senators that the evidence of that is abundant.

The chairman of the commission himself has said that they knew about this in mid-August. He has not said that it was drawn to the attention of the Cabinet, and I cannot infer that. However, I can infer that if the chairman himself knew it—and I can cite the record if anybody wishes—he consulted with legal counsel. The legal advisers even said, "Maybe you don't have to worry about that $800 million statutory limit; maybe the fact that the Unemployment Insurance Act says we have to pay this means that, regardless of the act of Parliament, we can still pay it out." Well, the legal advisers said, "No, we cannot go that far." But they did say and did admit that the account—I do not call it a fund because technically it is not a fund; it is an account in the consolidated revenue fund—the account was not going to be sufficient to pay out the benefits for the rest of the year. They knew that in mid-August. Parliament was in session in September.

Those are two inescapable facts, honourable senators. Parliament was in session and this could have been dealt with in the normal way. Had that been done, we would not be faced with this situation today. There would be no question of the unemployed waiting for their cheques.

The first warrant was obtained on October 5. That warrant, as evidenced by the documents we have before us and the evidence in committee, and so forth, carried through until either January 3 or January 4—there is some doubt about the date. According to the earlier evidence it was January 4, but the evidence later was no; the earlier evidence yes; the later evidence, "Perhaps it is January 3." And there was good reason for that change. The situation on the second warrant—and I am sorry Senator Forsey is not here, because I do not think he would find a precedent for this one—

Hon. Mr. Croll: Oh yes, he would.

Hon. Mr. Grosart: I very much doubt it.

Hon. Mr. Flynn: A real one or an imaginary one?

Hon. Mr. Grosart: The situation here is that, in spite of what has been said concerning section 23 of the Financial Administration Act and the requirements for paying out money under a warrant, every single cent under the second warrant will be paid out while Parliament is in session. If there is a precedent for that, I do not know of it.

We are talking about precedents for these warrants. Well, there is another aspect of this for which there appears to be no precedent—at least, the Auditor General says he can find no precedent—and that is the fact that this warrant was used in effect, to repeal an act of Parliament. The act of Parliament says quite clearly—and it was the only act governing this situation—"there is a limit of $800 million in advances that can be given." And the warrant, in effect, says, "Well, the government says no. We will find another way. We don't really care what Parliament said. It does not matter that Parliament imposed a statutory limit. We are going to find another way." And there has been some question as to the legality of that. What is much more important is the fact, again, that that situation need not have arisen. Why? Because that second warrant was issued on December 14.

Here again the evidence is that it was known that the first warrant might not carry through beyond the end of the year, to January 3 or January 4. The election was over, and Parliament could have been called into session. Many of us even wondered why Parliament was not called in December. It seemed to be the logical thing to do. There were important matters to come before Parliament. There

was the very important question of payments to the unemployed, the question we are facing at this very moment.

I say the responsibility is the government's. The government, knowing the situation that was going to develop on this very day, would not call Parliament into session in December when the whole matter could have been dealt with without very much delay. But here we are on this 7th day of February, 1973, faced with the question of whether the unemployed will get their cheques or not.

The government had two opportunities to avoid this mess when Parliament was in session and they failed to take either of them. Now we are told that it is just unfortunate; that it is all a question of legality; argument amongst lawyers; argument amongst parties, as Senator Croll said. Honourable senators, it is nothing of the kind. It is an indictment of mismanagement by this government and carelessness—in the worst sense of "carelessness"—for the interests of the unemployed, whatever the number might be that may or may not get their cheques tomorrow. That, honourable senators, is the issue.

A good deal of confusion has been caused—

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

Hon. Mr. Grosart: Yes.

Hon. Mr. Lamontagne: I recall a similar situation in 1962. The election was held in June; a cooling off period was proclaimed by the then Prime Minister, and Parliament was called at the end of October. Throughout that period we were all on Governor General's warrants. At the end of January, Parliament was asked to vote the last one-twelfth of the estimates, without having the estimates discussed in the house at all.

• (1720)

Hon. Mr. Martin: It happened all the time then.

Hon. Mr. Grosart: I thank the honourable senator for drawing that "dreadful" situation to my attention. Probably if it had not been allowed to happen this present situation might have not been allowed to happen. I am in no position to defend that situation, any more than I am able to defend this one. This is why I sometimes get tired of hearing our lawyers and constitutional experts saying, "This was done before, therefore it must be all right. It was done in 1898; it was done in 1911." This is no justification for this kind of situation in the year 1973. I do not even know what government was in office at the time to which Senator Lamontagne is referring.

Hon. Mr. Langlois: Take a guess.

Hon. Mr. Martin: It was a bad government.

Hon. Mr. Grosart: That does not matter.

Hon. Mr. Lamontagne: I agree with the honourable senator.

Hon. Mr. Grosart: This is one of the reasons I think it is very important that this situation be dealt with as soon as possible. I do not mean today. If we do not deal with it we will have Senator Forsey and others citing this as a precedent. They will say, "You do not have to pay any attention to an act of Parliament if there is a limit set by an act. Remember in 1972 we issued warrants. It did not matter then what the act of Parliament said, so let us do it again." I am not interested in precedents, but I am disturbed that this situation may create a precedent for constitutional lawyers and others to cite in justifying a situation that could not be otherwise justified.

The government itself has contributed over and over again in the last few months to the utter confusion that has been created by this situation. I am sorry to say that some ministers whom I like have themselves been so confused about the situation that it is impossible to believe the Cabinet of which they are members could have known what it was doing.

The President of the Treasury Board, in whose area of responsibility much of this situation comes—he has not the entire responsibility, but he has a good deal of it—said on January 12, only last month:

> —the minister responsible before the House will have to get the Appropriation Act adopted at three readings and by the Committee of the Whole before February 8, and that is in the House of Commons and also in the Senate. Otherwise there might be no more funds to spend after February 8—

I call attention to that date, "after February 8";

> —and this would apply to the Unemployment Insurance Commission again.

This is just not a statement of fact. The appropriation bill has nothing to do with this; it has nothing whatever to do with whether these cheques go out today or tomorrow. The minister is confused.

We now have this bill. I did not hear Senator Buckwold comment on clause 2, which says this is not an appropriation but an advance. This is the clearest indication of a straight cover-up. Listen to what the Director of Legal Services of the Unemployment Insurance Commission himself gave as evidence before the committee of the other place:

> The situation is that the Governor General's warrant is an appropriation, so the money has been received.
>
> It becomes part of the first appropriation act, and what must be done to permit the payment of benefits after February 8 is the passage of Bill C-124.

He is quite right in the latter part of that passage, I suppose, the situation being what it is. The legal adviser says this is an appropriation. Now we have a bill saying it is not. Well, it is not the first time we have had this kind of retroactive legislation, but it is the clearest possible evidence of this utter confusion in the Cabinet itself, and in the councils of the Unemployment Insurance Commission, which has created this situation.

I bring these matters to the attention of the Senate so that we will have perhaps less talk in the future about delays caused by the Opposition in the other place. The so-called delay by the Opposition in the other place was an examination of the supplementary estimates before the Committee on Miscellaneous Estimates. It took a month, but the fact of the matter is that there was no delay of this bill. This bill could have been brought before Parliament earlier, when Parliament was sitting. If there was this tremendous urgency why was this bill not brought before Parliament at once? Why was not an appropriation bill

brought before Parliament? As somebody remarked, why were we discussing capital punishment?

With all the urgent matters that are before the public today involving similar cases of individual human requirements, such as those of unemployment, why are we going to spend time talking about Vietnam shortly? Certainly Vietnam and capital punishment are important, but these are debating subjects. I ask the Leader of the Government in the Senate: Why do we not get down to discussing old age pensions? Why do we not get down to discussing legislation, even if it is legislation on which the government might be in some jeopardy? Face up to it. Let us have no more of this. What is now happening in the management by the government of the affairs of Parliament is a repetition of the kind of thing that caused the situation now before us. I make this plea to the Leader of the Government.

Senator Croll says we should forget the past. I suppose we have to, but we do not have to forgive it. I found some parts of Senator Croll's speech a little unfair. It was a good speech, and I agree with the position he has taken.

Hon. Mr. Flynn: He made me cry.

Hon. Mr. Grosart: This, surely, is what happens every time. We are up against this kind of wall. We are confronted with a situation in which we have to say that because of our compassion for the people who may be affected we must throw in the sponge and let it happen again. This is why there are some on this side who would like to stand and fight on this. Somebody said he would like to stand and fight, but he does not have the guts.

I think I am in that position too. I would like to stand and fight on this principle so that perhaps this kind of thing would not again happen; so that we would not have the government saying, as they did back in August and September, and again in December, "Look, we can get away with it." That is a famous phrase, part of the history of that party. "We can get away with it. Who can stop us?" I see that approach in this whole situation. "We will get away with it. What does it matter. We could call Parliament. If we call Parliament in September we could put it before them, but then we would have to disclose more unemployment figures and some of the muddle we have got into. Of course we will get by, the election will be all over, we will be back again in office and we will get away with it."

• (1730)

Again in December, obviously the same thing. Why was not Parliament called in December if we have this terrible urgency? Tomorrow people will go to their mail boxes looking for cheques that are not there? Why was not Parliament summoned in December?

Hon. Mr. Martin: Are you asking me?

Hon. Mr. Flynn: You cannot reply.

Hon. Mr. Martin: I did not intend to reply.

Hon. Mr. Phillips: But you are the ones who were supposed to learn the lesson, said Pierre.

Hon. Mr. Grosart: I would say to the Leader of the Government that the question was not directed at him, nor was it a rhetorical question. It was a question the answer to which I hope we of the party to which I owe my allegiance will be able to find the answers before very long. I hope, if it should happen that we are on the other side, that I will not be put in the position of defending such an impossible situation as that with which we are confronted here.

Honourable senators, there is a great deal more I could say, but I will leave it at that for the time being. I hope this bill goes to committee. I understood the sponsor to say he would move that it go to committee. There are some questions which should be asked there. Of course, the major question is, what is the actual state of the fund? I would remind honourable senators that, over and over again in the evidence by ministers and others, we were told that the crisis would occur, if the cheques did not go out, after February 8. Today is February 7.

Hon. Orville H. Phillips: Honourable senators, in rising to speak I realize that I have been up and down several times today. I do not enjoy that situation. From the opening through to the bill, there was a distinct feeling of bitterness which I feel is foreign, alien to the Senate. That that feeling was present shows the importance of this bill. My remarks will be brief.

An Hon. Senator: Hear, hear.

Hon. Mr. Phillips: They will be pointed. You can say "hear, hear," but it would do you good to listen; you might learn a bit, and you are in need of knowledge, sir.

I might go back to earlier this afternoon, when the Leader of the Government delivered his ultimatum, "at five o'clock." He later denied it, but I have talked to people on the other side of the house, some of his closest colleagues, who said that they got the same impression that I got—it is five o'clock, or else.

As a member of the Senate, that I will not accept. That is not my view as a Conservative—and I like to remind the Senate that I am not only a Conservative, I am a right wing Conservative. The Leader of the Government in his remarks this afternoon conveyed distinctly "by five o'clock, or else." He has gone through this procedure before. I have used the phrase "hell may freeze over" before too. I have not been in hell, but I am sure that the honourable Leader of the Government in the Senate has been in hell and I would like to ask him whether it has frozen over or not. Has it frozen, Paul?

Earlier this afternoon I asked of the deputy chairman of the National Finance Committee—By the way, am I interrupting your conversation with Senator Croll, Senator Martin? I would not want to be talking while you two are having your little tête-à-tête. Am I interrupting that? If I am, I will yield the floor while you two have your little conversation. It may be on Senate reform, I do not know. I remember that this government was going to listen and learn. I have not seen any indication from Senator Martin either that he is going to listen or that he will learn, and, what is even worse, I have not seen any indication that he would like to learn. I think that this is the thing that is important. Are you going to listen? Are you going to learn? Do you really want to learn, or do you want to continue in your old-fashioned, obstinate Liberal ways, of saying "To hell with everybody, the Liberal Party rules,

and we will win the election." Is that still your attitude, sir?

Well, since I have not received an answer, I at least presume that he is considering and taking note. In fact, I see him signing letters at the present time. I am familiar with the technique of having an executive assistant draft a reply which is signed by the minister. In this case, unfortunately, it happens to be the Honourable Senator Martin, and while I am speaking I can note that he is very busy reading the letters and signing them. But, Senator Martin, you know that I am the most generous person in the world. I am quite prepared to sit down and let you read to the Senate those letters which you are signing now.

Are you going to continue signing letters or are you going to listen?

Hon. Mr. Martin: Well, I am going to continue until I finish the book. That is quite certain.

Hon. Mr. Phillips: All right. I will wait until you finish signing the book, and while you are finishing the book I would say that it is an unfortunate thing that you are signing letters that you don't know a damn thing about, and that has been the unfortunate part of your career.

Do I speak to the Senate? Do I speak to the government leader? I certainly refuse to speak to him while he is signing letters. I am quite prepared to sit down.

Hon. Mr. Buckwold: I rise on a point of order. I ask the Chair if there is any way the honourable senator could be directed to speak to the motion? I would be very glad to hear him speak on that.

The Hon. the Speaker: Senator Buckwold inquires whether the senator would direct what he has to say to the motion that we are considering.

Hon. Mr. Phillips: Your Honour, I claim the honour of having been the first senator to go through your reception line. I would therefore want to be the last person to disagree with any of your rulings, but with regard to your intervention, Your Honour, I notice that Honourable Senator Martin has now finished signing his letters so the question is no longer relevant.

There is one essential thing that this bill before us does, and that is it removes the $800 million ceiling which was stipulated and imposed by Parliament. That ceiling was not imposed by an individual. It was not imposed by Senator Croll or any other individual like him. It was put there by Parliament. We in the Senate accepted that $800 million ceiling. Are there any of you here who voted against it? Not one of you! Why was that $800 million ceiling put into the act? I will tell you why. That ceiling was put in there to assure parliamentary control. The minister has admitted it, the Auditor General has admitted it, and the chairman of the Unemployment Insurance Commission has admitted that the ceiling was put there to assure parliamentary control.

But what is the government trying to do by means of this bill? This bill will give the government unlimited control. Parliament will no longer have any responsibility. In fact, under this act the commission no longer has to report to Parliament.

Honourable senators, do you feel proud of yourselves in supporting a bill that lets funds go out, out and out without any means of controlling them? Do you not agree that the government should report to Parliament on any excess? The Auditor General himself says he cannot find any parallel for this.

Yesterday in the Standing Senate Committee on National Finance I asked the President of the Treasury Board if he could give me any example of a previous instance. Well, he said no, he couldn't, and he simply used the old Liberal technique of turning to the officials so that the officials could give the reply. I have not received that reply, honourable senators, and I can look at my colleagues here. Admittedly we have different political affiliations. Let me go down the front row. Honourable Senator Connolly (Ottawa West)—one of my colleagues says, "Don't name them one by one." All right. I will withdraw that particular remark. It was my intention to go down the front row and ask you personally. Because I feel so strongly on this issue, I was going to go down the front row. I see some stir from Senator McIlraith. Would you like to be questioned, sir? All right, I will forget that.

• (1740)

But, honourable senators, as I stated earlier this afternoon, if you think this is a jocular matter, a matter of levity, well, let it go; pass it. I said I was too much of a Conservative to let that go. I don't apologize for being a Conservative; I don't apologize for being right-wing, and in case you want to investigate my background, there is nothing in my background that should make me want to be right-wing except pride and work. "You look after yourself"—this was drilled into me, and I come from a family of 11 or 12. We were all told, "You look after yourself." And we didn't have it easy. The first time I worked I got 75 cents for the day, and that was when I was 12 or 13. Seventy-five cents a day is Senator Prowse's pay today.

Senator Martin, do you have any questions? I see you yapping across the floor. What are your questions? Do you want to put them on the record, or do you want to put them privately? I give you the opportunity. Which do you want?

Honourable senators, I am telling you this because I am interested in Senator Croll's inquiry, and I think there is some connection between Senator Croll's inquiry and this. I don't know what he is going to say, but he says there is reform needed. Ye gads, there is reform needed on a bill of this type, and I urge Senator Croll to continue that.

On the other hand, early in the afternoon, it was stated by Senator McIlraith, I think, that there might be more co-operation, more simultaneous debate, between this chamber and the other chamber. Let us face facts, honourable senators.

When you are through talking to Senator Molgat, Senator Martin, I will continue. I am perfectly happy to take my seat until you people finish your conversation. If you are so worried that you have to "martinize" everybody on the other side, fine, go ahead; talk to Senator Molgat. Give him his instructions; tell him what he is to do. I will take my time.

Hon. Mr. McElman: Madam Speaker, I would call your attention to Rule 38 of the Rules of the Senate. That rule states, "All personal, sharp or taxing speeches are forbidden." It certainly seems to me that this is becoming very personal.

The Hon. the Speaker: Honourable senators, it has been called to my attention that some of the remarks made might come under Rule 38, and if Senator Phillips intends to continue I must ask him to keep to the discussion on the motion.

Hon. Mr. Phillips: Your Honour, as a fellow Maritimer, I have a special respect for you and I would not in any way wish to trespass against your ruling. If I have erred, as the various prayers go, forgive me. I shall then go on to deal with a different point. And here again, Your Honour, I ask your protection. When I am speaking to the Leader of the Government I expect him to listen.

The thing that disturbs me is the fact that yesterday I pointed to the item in supplementary estimates (A) under Finance, and the sum of $350 million which the acting chairman of the National Finance Committee referred to earlier, and I ended up, honourable senators, with the feeling that the government of this day—and I hope it is not for too long—has deliberately planned unemployment to the year 1975. When I asked the chairman of the Treasury Board, he said he could not see any reduction in the rate of unemployment before 1975.

Honourable senators, I take the viewpoint, and perhaps it is unique, that the government has planned this deliberately. I cannot accept the fact that unemployment, as a government measure, has been deliberately planned, yet I find no alternative.

Other honourable senators mentioned this earlier this afternoon. But on the assumption that the Unemployment Insurance Commission works 40 hours a week, which they do, and with the knowledge that we are now paying out $60 million in unemployment insurance benefits, I ask you in all seriousness—and I am not being partisan; Conservative, Liberal, or NDP—when we start paying out per hour $1½ million in unemployment insurance benefits is not it time that someone, God knows where but I hope it is in this chamber—that may be a false hope, and I have had many false hopes in this chamber—would not it be better, honourable senators, to put $1½ million per hour into the development of this country and provide jobs, rather than pay this amount per hour to those who are unemployed?

I am not one of those people who believe that the unemployed are taking advantage of the act. I do not believe that. I have too many letters in my files to show they are not.

Yesterday morning I interviewed a young chap who had gone through the Adult Occupational Training Program, training in electronics. The federal government paid for this course for a year and a half, and he is now a specialist. He comes to me and explains that he is now a specialist and asks, "Where do I get work?" Do you know where he gets work? If any honourable senator knows where he can get work I would be delighted to refer him to that source. I do not know. Does anyone know within this chamber?

Something has been missed in this bill, and I think it is important because the average Canadian is beginning to ask, "What does unemployment cost us?" Honourable senators, I want to repeat and emphasize that unemployment is costly, expensive and wasteful. Look at supplementary estimates (A) and see that what has been spent already amounts to $50 for every man, woman and child in this country. In case you are disinterested, or you do not understand, that is every person in Canada regardless of age from one week to 100 years.

• (1750)

I have been reminded that I have been going an hour. Well, that may be. Fine. I had not realized that, because I feel so strongly on this, Senator Grosart. I wish to emphasize that I feel extreme frustration, more than I have ever felt since I came to this Senate. You can say, "You are wrong," to a government, and we have proven on many occasions that our advice was right, but not a bit of it is heeded. I feel very strongly on this point.

I have a note here to deal with the Governor General's warrants. I think that Senator Grosart has dealt with those very effectively, but I would like to say again that while Parliament is sitting—and, honourable senators, I want you to recognize this point—that while Parliament is sitting, but without the authority of Parliament, a million and a half dollars per hour per working day has been spent without parliamentary authority.

I had intended, honourable senators, to go back to 1958 when, much to my surprise, I was re-elected to the House of Commons. I will not go through it, but I will ask you to go back and read *Hansard* of that time. I will not go into my remarks concerning the Unemployment Insurance Commission. I still do not think I have been an hour, but that is fine. I did not time myself but I could go for five hours, Senator Grosart, there are so many items.

Honourable senators opposite, I say to you this, not in antagonism—as a matter of fact, I think I have more friends opposite than I have here; there are not too many of us left over here to make friends.

Hon. Mr. Fournier (De Lanaudière): And we know why.

Hon. Mr. Phillips: You know what?

Hon. Mr. Fournier (De Lanaudière): We know why.

Hon. Mr. Phillips: Well, if you had anything definite in your mind, honourable senator, that would be about the first time in your long career that you had adopted an opinion, and I am glad to hear it.

There are certain things that I would like to go into. There is the matter of the relationship with the war veterans' allowance, which Senator Carter and I dealt with in the Standing Senate Committee on National Finance yesterday. I do not know whether legally this gives us the right to go into that, but I will very, very reluctantly look at the clock and say—

Hon. Mr. Buckwold: It says five to six.

Hon. Mr. Phillips: It says five to six? Then I am encouraged. Do you want me to go on? Thank you, senator, I will do that for another five minutes. Thank you at least for listening. The point to which I wish to return and repeat, and I wish to finish with this, is that this bill does not provide a ceiling. It does not provide any parliamentary control. Honourable senators, are you proud to pass a bill in which the Auditor General has no accounting

approval? This bill completely removes, at least in my interpretation—you may take a different interpretation, senator—but the Auditor General according to my interpretation of this bill has no control. He has no responsibility to report to Parliament. Are you going to eliminate the Auditor General? I ask you, honourable senators, are you going to destroy the Auditor General by completely removing him from this inspection, this report to Parliament? As you know, he has already asked for a legal opinion concerning the Governor General's warrants.

I do not want to go into that. I have asked for the opinion of the Auditor General's legal advisers, but have been told that I cannot get it for a year. In a year from now a lot of us will have lost interest. In this bill we are giving the government complete authority to transfer income tax funds, Canada Pension funds and other funds, to bolster the fund for unemployment insurance benefits.

The Senate has often been criticized as being a group of people who are directors of companies—

The Hon. the Speaker: Order. It is after 6 o'clock, and pursuant to Rule 12 I will leave the Chair until 8 o'clock this evening, unless the Senate, by unanimous consent, wishes to complete this afternoon's business.

Hon. Mr. Martin: I think Senator Phillips would like to finish, and we should give him the opportunity.

The Hon. the Speaker: Is it the unanimous consent of honourable senators that we should continue?

Hon. Senators: Agreed.

Hon. Mr. Phillips: I promise Your Honour that I shall finish in 30 seconds. I was starting to say that the Senate is criticized as being a group of people who are directors of companies. Would honourable senators, as directors of various companies, accept this bill? Would they put it to a meeting of a board of directors? If they would, fine. I would not do so. Honourable senators have their choice.

Madam Speaker, I would like to continue, but the 30 seconds are up. Thank you for the courtesy.

The Hon. the Speaker: Honourable senators, do you wish to continue with the business of the Senate?

Hon. Mr. Buckwold: Madam Speaker, we have a motion.

The Hon. the Speaker: It is moved by the Honourable Senator Buckwold, seconded by the Honourable Senator Rowe, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

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

Hon. Mr. Buckwold: Honourable senators, I move that this bill be referred to the Standing Senate Committee on Health, Welfare and Science.

Hon. Mr. Flynn: When?

[Hon. Mr. Phillips.]

Hon. Mr. Buckwold: For immediate attention.

Motion agreed to.

NOTICE OF COMMITTEE MEETING

Hon. Maurice Lamontagne: Honourable senators, I should like, as the new chairman of this committee, to plead with the members of the committee to sit tonight.

Hon. Mr. Flynn: Why tonight?

Hon. Mr. Lamontagne: We are all agreed that there is some urgency in passing this legislation.

Hon. Mr. Flynn: No.

Hon. Mr. Lamontagne: I understand that a number of senators wish to ask questions of the minister and his officials. They will be available this evening. We are unemployed this evening and it would be a good occasion to use the time to commence the questioning on this very important piece of legislation. If we cannot complete our consideration of the bill in committee tonight, we would be in a position to continue tomorrow. The few hours which we have at our disposal this evening could be used in serious and beneficial discussion.

Hon. Mr. Flynn: Honourable senators, I do not see the point raised by Senator Lamontagne as being very valid, unless it suits his own program better. I think that is probably the point. We can sit at 9 o'clock tomorrow morning and continue until 1 o'clock. We have four hours tomorrow morning. The bill cannot be passed before tomorrow afternoon, in any event.

Many senators have left the chamber, taking for granted the committee would not sit tonight. Furthermore, it was previously agreed that all senators would receive notices of committee meetings. It was agreed that not only committee members but all honourable senators would be advised of the meetings of all committees. It is now past 6 o'clock, and to sit at 8 o'clock tonight with such short notice is not satisfactory for the Senate as a whole. I do not subscribe to Senator Lamontagne's suggestion.

Hon. Mr. Martin: Honourable senators, it is understandable that Senator Lamontagne would make this request. It has now been suggested by Senator Flynn that the committee should meet at 9 o'clock tomorrow morning in the hope that we can dispose of this matter tomorrow afternoon. I would suggest that the other items on the Order Paper stand.

Hon. Mr. Molgat: Before the adjournment, may I reply to a comment made by Senator Flynn regarding notice of meetings. I have checked into the matter of notice being given to honourable senators. There are some technical problems involved, and at the moment the Committees Branch is not in a position to do this. I am ascertaining what can be done, and it will probably require the concurrence of Internal Economy at some stage.

Hon. Mr. Flynn: We may be able to advise many senators that the committee will be sitting tomorrow morning.

Hon. Mr. Molgat: If the committee meets tomorrow morning, it will meet in Room 356-S.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 189.*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE
ON SUPPLEMENTARY ESTIMATES (A)

Wednesday, February 7, 1973.

The Standing Senate Committee on National Finance to which were referred Supplementary Estimates (A) for the fiscal year ending March 31, 1973, has in obedience to the order of reference of Thursday, 25th January, 1973, examined the said Estimates and reports as follows:

Witnesses heard by the Committee were Hon. C. M. Drury, President of the Treasury Board; Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board; and Mr. B. A. Bruce MacDonald, Assistant Secretary, Program Branch, Treasury Board.

The Supplementary Estimates total $1,290,790,402 of which $817,000,000 are non-budgetary items, that is to say loans, investments or advances. Previous Main Estimates are increased from $16,539,080,169 to a total of $17,829,870,571 for the current fiscal year.

The Minister informed the Committee that 90% of Supplementary Estimates (A) are items "having to do with the relief of unemployment or the creation of jobs" as follows:

Winter Capital Projects Fund, $350 million

Advances to the Unemployment Insurance Commission, $454 million

Local Initiatives and Training on the Job, $304 million

Federal Labour Intensive Projects, $60 million

Payments to establish the Metropolitan Growth Investment Limited for the Halifax-Dartmouth area, $10 million.

Payments to farmers include crop losses ($12.6 million), subsidization of livestock feed movement ($4 million), payments to the Wheat Board to purchase covered grain hopper cars ($40 million), and payments to farmers for losses caused by waterfowl ($1 million).

Other items include costs of the New Horizons Program for senior citizens ($6.2 million), higher pensions and allowances to veterans ($18 million), assistance to Asian Uganda immigrants ($4 million) and Non-Medical Use of Drugs program ($2.8 million).

The remaining 2% of the total includes public works, a loan to increase flow of tonnage on the MacKenzie River, grants for Prince Edward Island Centennial projects and compensation to Atlantic fishermen for the closing of commercial salmon fisheries.

Four vote items are for $1 each. This is a vote category discussed in previous Committee Reports and for which a description and explanation are now regularly provided by the Treasury Board to the Committee. This is appended hereto.

Almost half of the total in these estimates ($590,509,000) relates to three Governor-General's Special Warrants obtained by Order-in-Council during the period of dissolution of Parliament—on October 5, November 16, and December 14. The Committee was informed by the Minister that these complied with the requirements of Section 23 of the Financial Administration Act in that they covered "payments urgently required for the public good when Parliament is not in session and there is no other appropriation pursuant to which the payment may be made". The two largest items in these Warrants were $132,084,000 for the Local Incentives Program (LIP) and $454,000,000 in Vote L30a of the Department of Manpower and Immigration. The latter is shown as "advances . . . to be applied by the Unemployment Insurance Commission towards the payments of benefits and costs of administration under that Act, such advances to be repaid in such manner and on such terms and conditions as the Minister of Finance may prescribe".

Replying to questions from Committee members, the Minister explained that the first U.I.C. Warrant (October 5, $234 million) became necessary when it appeared that the statutory limit of permissable government advances to the Commission ($800 million) would be exceeded by the end of October, in which case there would have been no authority to pay unemployment benefits as required by the Unemployment Insurance Act. "The Unemployment Insurance Commission would have ceased issuing payments if there had been no warrant."

A similar situation arose when it appeared that benefit payments under the October warrant would again leave the Commission without funds on or about January 3, the day before the Opening of Parliament. A second warrant ($220 million) was therefore obtained on December 14 and its funds are expected to be exhausted by February 7.

The financial position of the Unemployment Insurance Account for the calendar year ending December 31, 1972 is as follows:

Benefit payments $1,879 million; administrative costs $120 million: totalling $1,999 million.

Income from employer and employee premiums $715 million; due from government (statutory) $890 million: totalling $1,605 million.

Accounting deficit, therefore, $394 . . . less opening balance (January 1st, 1972) $236 = Deficit of $158 million.

The Commission's financial problems appear to be caused by (a) under-estimation of the increases that took place in benefit payments during the year (b) the $800 million statutory ceiling on government advances against the accrued liability of $890 (c) the fact that Parliament was not in session from September to early January.

Treasury Board Contingency Fund

Payments from the Treasury Board Contingency Fund exhausted the Fund's resources during the period covered by Supplementary (A). When Supply is granted by Parliament it will be reimbursed by approximately $40 million from appropriations in Supplementary Estimates (A). In the meantime, no Contingency Funds are available if an emergency should arise. The Estimates provide for a further appropriation to the Contingency Fund of $60 million for a program whereby temporary employees will be hired directly by federal government departments as part of the overall employment program for the current winter.

Winter Capital Projects Fund

This is a new program of federal government assistance to the provinces, provincial agencies and municipalities to create employment through the construction of capital development projects. Vote L12a of the Department of Finance authorizes loan commitments by the federal governments of $350 million over the four and a half years from December 1972 to June 1975. Amounts will be allocated to provinces on the basis of population and levels and seasonality of unemployment. The Committee notes that this proposes the introduction of a major item of legislation by vote in an Appropriation Act. Not only are very large amounts involved but the vote item authorizes commitments extending over several years into the future. Granting the exceptional circumstances and the requirements of long range planning, the Committee feels that an Appropriation Act should not be used for this purpose.

Respectfully submitted

Allister Grosart
Deputy Chairman.

EXPLANATION OF ONE DOLLAR ITEMS SUPPLEMENTARY ESTIMATES (A), 1972-73

Summary

The one dollar items included in these Estimates have been grouped in the attached according to purpose.

A. One dollar items authorizing transfers from one vote to another within a Ministry for the purpose of reallocating funds (1 item—this item also appears in Section C).

B. One dollar items which require listing in the Estimates in order to secure approval of a grant (1 item).

C. One dollar items which are legislative in nature (3 items including Secretary of State—National Museums of Canada Vote 90a which also appears in Section A).

Estimates Division,
February, 1973

SECTION A
ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER WITHIN A MINISTRY FOR THE PURPOSE OF RE-ALLOCATING FUNDS (1 ITEM—THIS ITEM ALSO APPEARS IN SECTION C)

Secretary of State—National Museums of Canada

Vote 90a (also listed in Section C)—Amount of transfer to this vote $2,899,999.

Purpose—To provide funds for certain projects under the Museums Policy. This Policy was originally budgeted for within the Canada Council. The responsibility for these projects has since been reassigned thus a transfer of funds is required.

Source of Funds—Vote 45 ($2,899,999)—Canada Council.

SECTION B
ONE DOLLAR ITEMS WHICH REQUIRE LISTING IN THE ESTIMATES IN ORDER TO SECURE APPROVAL OF A GRANT (1 ITEM)

Justice

Vote 1a—To authorize a grant of $10,000.

Explanation—The grant to the Canadian Association of Provincial Court Judges will be used to assist in defraying the operating expenses of the Association.

Source of Funds—Vote 5—Funds originally provided for operating expenditures will be used to pay this grant.

SECTION C
ONE DOLLAR ITEMS WHICH ARE LEGISLATIVE IN NATURE (3 ITEMS INCLUDING SECRETARY OF STATE—NATIONAL MUSEUMS OF CANADA VOTE 90a WHICH ALSO APPEARS IN SECTION A)

Finance

Vote 13a—To authorize an extension to the period of time for election of pensionable service under the Members of Parliament Retiring Allowances Act.

Explanation—This authorization is required to extend the period of time under which an election can be made under the Members of Parliament Retiring Allowances Act for pensionable service for those persons who failed to do so previously due to erroneous advice being given or for the review of previous elections for pensionable service to ensure the full period of entitlement has been given.

Secretary of State—National Museums of Canada

Vote 90a—(also listed in Section A)—To authorize an increase of $1,000,000 in the statutory limit of the purchase account of the National Museums.

Explanation—The increase to $3,100,000 in the amount of the purchase account is required for the establishment of the Emergency Purchase Fund which was approved as part of the new ministerial policy on Museums.

Urban Affairs—Central Mortgage and Housing Corporation

Vote 10a—To authorize an extension in the vote wording so as to permit the Corporation to be reimbursed for expenditures incurred during the period January 1, 1973 to March 31, 1973 on housing research and community planning.

Explanation—The present vote wording restricts reimbursements to the calendar year 1972, a change is therefore required in the vote wording to permit reimbursements to March 31, 1973. The amount of reimbursements to be claimed would remain within the funds already voted.

The Housing Research and Community Planning Activity includes the Winter Warmth Program which provides assistance to Metis and non-status Indians. This Program, which peaks during the winter months, provides financial assistance whereby improvements can be made to their housing conditions. This extension is required to enable the Corporation to disburse funds already committed.

THE SENATE

Thursday, February 8, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of Agriculture for the fiscal year ended March 31, 1972, pursuant to section 6 of the Department of Agriculture Act, chapter A-10, R.S.C., 1970.

Report of the Canadian Dairy Commission, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 22 of the Canadian Dairy Commission Act, chapter C-7, R.S.C., 1970.

FOREIGN AFFAIRS

PACIFIC REGION 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 special expenses incurred by the committee in the Third and Fourth Sessions of the Twenty-eighth Parliament in connection with its examination respecting the Pacific area with particular emphasis on the position set out in the policy paper "Foreign Policy for Canadians: Pacific."

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 special expenses incurred by the committee in the Fourth Session of the Twenty-eighth Parliament in connection with its examination respecting Canadian relations with the expanded European Communities.

UNEMPLOYMENT INSURANCE ACT, 1971 (No. 1)

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Chesley W. Carter, for Senator Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-124, to amend the Unemployment Insurance Act, 1971 (No. 1) and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. Mr. Buckwold: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(b), I move third reading now.

Hon. Jacques Flynn: Honourable senators, I will not be very long but I think it is necessary for me, and possibly for other senators, to say a few words at this time.

This morning the Standing Senate Committee on Health, Welfare and Science met to look into Bill C-124. The Honourable Robert Andras, Minister of Manpower and Immigration, was present as well as officials of the Unemployment Insurance Commission. They were questioned at length and it was obvious that this bill was required mainly because of miscalculation and bad judgment on the part of the government—bad judgment in the way it drafted the Unemployment Insurance Act, 1971, and miscalculation when, on September 1 last, it could not foresee or, alternatively, closed its eyes to the fact that the fund would be exhausted very shortly.

Now, the remedy provided by this bill is not entirely satisfactory. That is quite obvious. It was made obvious by the minister himself, who agreed that there might be other ways to keep the expenses incurred under this act under the control of Parliament. It is also quite obvious, whatever the deficit is, that in the enforcement of the act, in the application of the act, in the payment of benefits provided by the act, Parliament will have to ratify *ex post facto* the expenses which will have been paid during a given calendar year of fiscal year. There is no requirement that the government submit estimates in advance. It may simply wait and see after the year is completed, three or four months after it has been able to make its calculations, and come before Parliament and say, "Well, we have spent half a billion dollars, a billion dollars, or two billion dollars more than we expected and we now ask Parliament to say that we did well."

I don't know what Parliament could do under those circumstances but to say yes. Therefore, I say that this bill in principle remains a bad bill.

But there was another point, of course: the necessity of not delaying the passage of this bill because some 125,000 people who are waiting for their cheques from the Unemployment Insurance Commission would not receive them on the day they were expecting them.

• (1410)

In this respect the press and radio carried the news today that the Senate was delaying passage of this bill and that some people might suffer because of that. Of course that was the thesis of the sponsor of the bill. But I must remind honourable senators, in order to clarify the situation, that on a previous occasion the President of the Treasury Board, Mr. Drury, said that it was only after February 8—that is today—that there would be no more funds at the disposal of the Unemployment Insurance Commission. We were told this morning in committee that no cheques and no warrants were issued as of yesterday—the day the bill reached us. I am not too sure what the consequences will be of our passing this bill today instead of having passed it last night. In fact, there is ample proof that even if we had passed it last night it would have meant nothing, because when we adjourned last evening

after second reading of this bill, the House of Commons had already adjourned, according to their rules, and was not to be reconvened until today. So, even if we had sat last night, as suggested by the chairman of the committee, and if we had come back at 11 o'clock to give third reading to the bill, royal assent could still not have been given last night.

Hon. Mr. Lamontagne: Honourable senators, on a point of order, let me point out that this was not my intention at all. I did not seek to have the bill passed last night, because this is a matter that is not within my responsibility. My only suggestion was that we might make a start last night to study the bill in committee so that we might make progress for today.

Hon. Mr. Flynn: I was not leveling an accusation against Senator Lamontagne. I was just explaining the timing in this course of events, and I think the facts have proven that I was right in suggesting that we had ample time to deal with this bill in committee this morning, since we started at 9 o'clock and completed our study of the bill before 11 o'clock. Therefore, honourable senators, for us to have come back last night would have been a useless exercise so far as the time element is concerned. I am simply trying to point out that even if we had done that, and even if the committee had sat, and even if we had given the bill third reading last night, royal assent could not have been given before today. So, in practice it makes no difference, and nobody can, in fairness, accuse the Senate of being responsible for the delay.

Hon. Mr. Côté: Not the Senate—a few senators.

Hon. Mr. Flynn: Well, if they say a few senators only, of course, they speak of those who consider that the Senate has something to do, not like the honourable senator who thinks he has only to sit in his seat and approve everything that comes before us. There is a difference between that kind of senator and the type of which I am speaking.

Hon. Mr. Walker: He is a new boy. He doesn't know any better.

Hon. Mr. Flynn: He has the same style as many senators who think they have to approve, in advance, bills that come from the other place. In fact, if we did not want to delay the cheques we would have had to pass this bill two days ago. I suppose Senator Côté would have been prepared to do that. He does not care anyway.

Hon. Mr. Prowse: May I say a word?

Hon. Mr. Flynn: Oh yes, certainly, with great pleasure, especially from my friend Senator Prowse. I would love to hear what he has to say at any time.

Hon. Mr. Prowse: No, this is just a question. Could the Leader of the Opposition tell us whether he feels the House has had adequate time to deal with the contents of the legislation which is presently before us?

Hon. Mr. Flynn: I have no judgment to pass on that except to say that if you want to engage in a debate as to whether the House should have debated this bill rather than the abolition of the death penalty, which has in fact been abolished for 10 years—

Hon. Mr. Prowse: Will the honourable Leader of the Opposition just answer the question and not go off into some other matter.

Hon. Mr. Flynn: This was your question. You asked me whether the House had used sufficient time, or adequate time to deal with this bill. I am not going to pass judgment on what the House did as far as that is concerned. But the fact that the bill—

Hon. Mr. Prowse: Honourable senators—

Hon. Mr. Grosart: Do not let him keep interrupting you.

Hon. Mr. Flynn: I do not mind letting him interrupt us, or me, or anybody else. We have some other individuals such as this whom we have to give a chance to say stupid things occasionally. It is better that way. It takes less time when we let them speak their minds.

I did not want to attack the government. I wanted to defend the Senate. I wanted to justify the fact that we had spent a whole afternoon yesterday dealing with this matter, and to say that there was no justification for rushing the bill and trying to give it royal assent yesterday. That was my point. If the honourable member did not understand that, I am very sorry. But I can explain it to him out in the hallway after I have finished my speech. He probably would understand it better outside the chamber than inside.

I am not the only one to voice the grievance that the Senate is being pushed into passing bills in one day. I resent these accusations, especially when it does not create any real problem to the people involved by passing this bill today rather than yesterday. That is the point I wanted to make. We could not have given royal assent to this bill yesterday. It is going to be given today.

The Chairman of the Unemployment Insurance Commission indicated this morning that the commission had taken all precautions to arrange for the cheques to be put in the mail tonight at whatever time the bill received royal assent. That could not have been done last night. It means that the cheques were ready to be sent out, but, of course, the chairman would not acknowledge this. In any event, with the kind of service that the Post Office gives the Canadian public at this time, if there is a few hours' delay I do not think it should be charged against the Senate but rather against the Post Office. Again, as I said yesterday, if it requires a few hours' delay in the receipt of the cheques by the unemployed in order to allow the Senate to accomplish its duty as it should, I do not care and I will do it again.

• (1420)

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: I assure you that I will not be blackmailed; I will not be threatened nor will I accept the accusation of senators who say that members of the Opposition, and that includes Conservatives and others, are delaying the sending of cheques to the unemployed.

After all, there was mismanagement of the affairs of the House. Whether or not the House considered this bill in the length of time required, there remains the fact that the House spent a lot of time on other matters that were not at all urgent. The bill could have reached us much earlier, after receiving the same time and attention in the other place, and we would have had time to deal with it in a proper manner. We did not, but we did our best and that is all that can be asked of us. Anyone who would accuse the

Opposition or the Senate of delaying this bill would be totally unfair.

Hon. Mr. Prowse: Would the honourable senator permit one other question?

Hon. Mr. Flynn: Certainly.

Hon. Mr. Prowse: Would he tell us what information he has now that will enable him to vote for this bill—as he is apparently prepared to do—that he did not have yesterday?

Hon. Mr. Flynn: The fact is that we were at least given an explanation by the minister in committee this morning. If the honourable senator didn't need any explanation, he is very fortunate. However, for the benefit of the rest of us the minister made a statement before the committee and gave explanations which permitted us to assess the situation much better than we could have done yesterday. In any event, last night it would have been the same thing as this morning, except that we were very tired, after a long sitting and a very difficult one, I must say. We did a better job this morning in committee, without delaying royal assent to the bill.

Hon. Sidney L. Buckwold: Honourable senators, as the mover of this motion I should like to say just a word or two. First of all I wish to thank the Leader of the Opposition for defending the Senate. I want to state that in moving second reading of the bill I made it clear, early in my remarks, that I would not press for third reading. As far as I was concerned it was proper that it should go to a committee. As a matter of fact, that the committee did not meet last night was a matter of events rather than urgency, as we knew that royal assent could not have been achieved until today. Therefore, I wish to make it clear that all of us on this side of the house share the concern which the senators opposite have for the prestige of the Senate and the pressures put on it in this regard.

So far as the members of the other place are concerned, it is all well and good for the Leader of the Opposition in the Senate to suggest that they should not have been discussing capital punishment, but I would remind him that this unemployment insurance legislation was before the House of Commons Standing Committee on Miscellaneous Estimates and the Standing Committee on Labour, Manpower and Immigration. In fact, it was bogged down in those committees, which had not reported to the House. We should make that very clear. Those committees had to bring their reports into the House.

I appreciate very much, as mover of the bill, the co-operation received this morning from members of the Opposition, who asked very searching questions and came away, I think, reasonably well satisfied. I hope that the house will now support the bill.

Motion agreed to and bill read third time and passed, on division.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the house adjourns today it do stand adjourned until Tuesday next, February 13, 1973, at 8 o'clock in the evening.

Honourable senators, before this question is put I should like to say that I am conscious of the fact that there is another piece of legislation presently under study in the other house which might come to us at any time. However, no one knows exactly when.

I understand there are some eight or nine votes to be taken in the other place, and it is unlikely that this financial bill will reach us before Monday. Therefore, in moving that the Senate adjourn until Tuesday evening, I do so with the proviso that should the bill pass in the other house before the weekend is over, we could be recalled on Monday at the request of Madam Speaker.

I want to make that point very clear before the motion is voted on. As far as today's program is concerned, it is intended to have royal assent at 5.45 this afternoon. After we have dealt with the business of the day, a motion will be made to adjourn during pleasure to reassemble at the call of the bell at approximately 5.40 o'clock.

Hon. Mr. Flynn: Honourable senators, I do not wish to quarrel with my good friend Senator Langlois. The motion is a reasonable one under the circumstances. But may I point out that even if the bill to which he has referred is passed by the House of Commons tomorrow, there would really be no justification for us to be here one day ahead of time. There is no particular urgency with respect to this bill. One day will not make any real difference. That may have been the case with Bill C-124, but there is no such urgency about this bill.

• (1430)

I do not mind coming back on Monday, if it is the judgment of Her Honour, in consultation with the Leader of the Government, that we do so. I am quite sure that Her Honour would not recall the Senate without consultation with and advice from the Leader of the Government. That is putting it mildly.

When a motion is made to adjourn, say, to a Tuesday, or whenever, the members of this house should normally expect that they will not be recalled simply because of a fancy on the part of the Leader of the Government, or because a bill has passed third reading in the other place. Unless such a bill requires immediate action by the Senate, I do not feel the Senate should be recalled immediately to deal with it. It should be dealt with in the normal course.

Both the Leader of the Government and Senator Langlois know that I have always been co-operative. I have never delayed any bill without valid reason. We granted leave to proceed with second reading of Bill C-124 yesterday, and we have granted leave to proceed with third reading today. It seems to me that the Senate should not be waiting to say, "Yes, yes, yes," every time a bill has passed through the other place. It is completely contrary to the dignity of this house to be here waiting and saying "Whenever you're ready, we're here to pass the bill." That is something I object to.

I leave the responsibility of these things to the Leader of the Government. My views are on record. No one can say that I agree with the policy that the Leader of the Govern-

ment has been following for some years in this respect, which policy I feel is undignified.

Hon. Mr. Langlois: I have been taking careful notice of the remarks of my honourable friend, the Leader of the Opposition, and without giving any commitment I can assure honourable senators that his remarks will be taken into consideration before any decision is made with respect to recalling the Senate on Monday.

Motion agreed to.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she had received the following communication:

GOVERNMENT HOUSE

OTTAWA

8 February 1973

Madam,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 8th of February, 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.

Hon. Mr. Flynn: I should like to know what channel of communication there is between the Senate and the Governor General's office? I have never seen anything that fast in my life.

Hon. Mr. Langlois: An improved mail service. A good mail service.

VIETNAM

CEASE-FIRE AGREEMENTS—CANADA'S ROLE IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—DEBATE ADJOURNED

Hon. Paul Martin moved pursuant to notice:

That this House welcomes the conclusion of the Agreements on ending the War and restoring peace in Vietnam and notes the provision for an International Commission of Control and Supervision as part of the cease-fire arrangements, in which Canada has agreed to participate for the initial period of 60 days as provided for in the Note, dated January 27, 1973, from the Secretary of State for External Affairs to the four Parties to the Vietnam cease-fire.

He said: Honourable senators, I indicated to Senator Forsey the day before yesterday that it was my intention to place this resolution before the Senate for consideration. It will be recalled that a resolution in similar terms was placed before the other place by the Secretary of State for External Affairs. While the debate in the other place has not concluded, that does not, of course, prevent us from initiating a discussion ourselves; although I suspect, from conversations with my colleague this morning, that debate will not conclude in the other place until we have made some progress in our debate here.

I am sure we agree that this is a matter that should be discussed in Parliament, not that the executive has not the authority in the exercise of its responsibility for foreign affairs to take initiatives in this area, not that the executive is bound, before it takes such initiatives, to come to Parliament and say, "This is what we would like to do and we are now waiting for your approval," but because we believe that a matter of this importance is one that should be discussed in the two Houses of Parliament.

For eighteen years now, the world has been deeply involved in the war in Vietnam. No more tragic event in the last 25 years has taken place than this conflict. That it should now seemingly be on the point of being finally settled is a matter for great rejoicing. Certainly, because of the involvement proposed for Canada, we should be anxious to discuss that involvement, what it means, and what the policy of the government in connection with that involvement is.

Yesterday the Secretary of State for External Affairs announced—and this is related to the commitment that we have accepted for a limited period—that the government had decided to recognize North Vietnam, the Democratic Republic of Vietnam.

• (1440)

The Prime Minister had sent messages expressing his satisfaction, on behalf of the government, at the signing of the Paris agreements, to the Prime Minister of the Republic of Viet-Nam which Canada already recognized as the sole legal government of South Viet-Nam, and to the Premier of the Democratic Republic of Vietnam.

The message of the Premier of the Democratic Republic of Vietnam, and Mr. Sharp's statement yesterday, incidentally, constitute our act of recognition of the government of the north. The effect of this decision is that Canada now accords equal status to the government of the Republic of Viet-Nam (RVN) and the government of the Democratic Republic of Vietnam (DRVN). This should facilitate the work of our delegation to the new International Commission of Control and Supervision. It is referred to in the agreement and in the protocol that was tabled in the House of Commons.

As the Secretary of State for External Affairs said yesterday, it is not our intention, however, to establish diplomatic relations with either country; but there is no doubt in my mind—and this seems to have been widely accepted in the other place—that this act of recognition does give an opportunity to our personnel on the commission to discharge more effectively what could be their

difficult responsibilities. We are the only country of the four members of the commission, who will have accorded recognition to the governments of both the North and the South.

Honourable senators know that the other members of the commission, in addition to Canada, are Hungary, Indonesia and Poland. The members of the former commission, three in number, were Canada, Poland and India. India is not a member of the new commission.

It will be recalled that on January 24 we had an exchange on the position that Canada was about to take with regard to the invitation to serve on the new commission. This exchange took place in this house on January 24, and it took place before the first group of observers to the new commission in Vietnam had left Canada.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator allow a question at this point? He has just said that Canada now recognizes the governments of both North Vietnam and South Viet-Nam. Are there other members of the commission which have recognized both governments?

Hon. Mr. Martin: I have just indicated the position—perhaps Senator Connolly did not hear it—that we are the only country of the four which has accorded recognition to both North and South.

Hon. Mr. Connolly (Ottawa West): Did any other one of the four recognize either government?

Hon. Mr. Martin: Yes, Hungary, Poland and Indonesia have recognized North Vietnam.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Martin: Honourable senators, it is important that we should understand the nature of the obligation which Canada has assumed, even on the temporary basis, as I will indicate.

Our assignment in this instance, and for a longer period if it should happen that we take on the obligation, is to observe and report on the implementation of the agreement to establish peace in Vietnam. That is the nature of the obligation. It is for that reason that the Secretary of State for External Affairs, and I, the other day in this house, explained that this is not in the customary sense a peacekeeping operation, any more than the International Commission for Supervision and Control in Vietnam established in 1954, along with India and Poland, was anything more than an observation group.

This particular commission, while it has peace objectives, is not the kind of body that was set up in Cyprus by the Security Council of the United Nations, or in Palestine in the case of the United Nations Emergency Force, again by the Security Council. These at least were paramilitary bodies. In the case of the force in Cyprus, it is still a paramilitary body; a body set up as a result of the initiative of Mr. Lester Pearson in 1956. That in Palestine was in every sense a military operation.

The particular commission on which we have been invited to serve is not a military operation at all. It is an observation commission. It is an institution set up to report, as I said, on the implementation of the agreement to establish peace in Vietnam.

[Hon. Mr. Martin.]

The personnel from our Department of External Affairs and from the Department of National Defence are already in Vietnam on behalf of the international community. They are there to report on the implementation of the cease-fire. Those who have been sent are now there for the non-military task of supervising the peace—which all of us hope will come soon and will remain unbroken in the days ahead.

The Minister of National Defence has indicated that other personnel will be in Vietnam within a few days. I think that they will be there some time around February 10.

Honourable senators, I say it is important that we should clearly understand that our role is not that of a peacekeeper in the sense in which peacekeeping has been understood in the many operations in which we participated under the auspices of the United Nations. As Mr. Sharp has indicated, neither are we there as the nominee or spokesman of any party, nor the spokesman of any one side in the struggle. This is a very important point.

I know that it was said, during the time when I was Secretary of State for External Affairs, between 1963 and 1968, that there were a number of occasions when Canada took part as a member of the international control and supervisory operation on behalf of another country. I have seen that statement implied even in the book *Perspectives of the Presidency* by the late President Johnson, when he wrote of the Seaborn mission which I authorized in 1964.

• (1450)

I want to make it clear that, while I do not intend to spend much time in proving my point because that will be done in the appropriate way and at the appropriate time, at no time between 1963 and 1968 did any representative of Canada on that commission have any authorization to act as anything but a member of the commission, discharging an internationally-accepted responsibility. Certainly at no time did any one from Canada act on instructions from any government other than the government of which he himself was the nominee. And I am sure that this applied from 1954 until 1963 as well.

If any member of the International Control Commission, set up as a result of the Geneva Agreement in 1954, did not comply with the letter of the "law" as stated in 1954 by Brigadier General Lett from Vancouver, who was the first Canadian representative on the commission, then that person acted contrary to authorization given him by the Government of Canada.

My knowledge of this situation is extensive, because from 1963 to 1968—and some of my colleagues of the government of that day who are now in this house can verify this—there were few matters that occupied my attention more than the utilization of Canadian representation in Indochina to bring about a cease-fire and some kind of peace arrangements in that tragic conflict.

I have heard it said likewise, with respect to the Ronning Mission, which was authorized by the government of Mr. Pearson—a mission that took this well-known and distinguished Canadian diplomat to Hanoi on two occasions—that Chester Ronning went there not as a spokesman of the Canadian government but as one carrying

messages on behalf of the government of the United States. I want to make it clear that Chester Ronning went to Hanoi at the instance of the Canadian government. He conveyed information which, in the judgment of the Canadian government, was designed to try to encourage a cease-fire and a peace settlement. Anyone who knows of the background of Chester Ronning, a man born in China, a man whose views on the nature of the international system are well known, would never for a moment suggest that he could be used for any other purpose than that which I have stated.

Now, in the light of the government's experience in other peacekeeping operations, it has laid down four pre-conditions, for its participation in the commission. Those pre-conditions are worth recalling: first, that the conditions for the operation of the new organization should be workable and should offer real prospects of being effective; second, that the United States, the Republic of Viet-Nam the Democratic Republic of Vietnam and the Viet Cong, should be bound by the agreement, the implementation of which the new commission would observe and report on; third, that there would be a continuing political authority which would assume responsibility for the settlement as a whole; and, fourth, that the proposed new international commission would have the freedom of movement and observation which it would require for the proper performance of its functions.

These four conditions were stated publicly for the first time by the Secretary of State for External Affairs on January 5. They were reiterated by him when he spoke in Toronto on February 5, repeating that Canada was not prepared to accept an open-ended commitment.

Now, the reason for this caution must, I think, be clear. It is not because Canada does not want to accept its international responsibility. Rather it wants to do so under conditions that will make possible, in so far as can be foreseen, the success of the operation to which it is committing itself.

We have had much experience in this kind of operation. Not only have we been involved in the commission in Vietnam for 19 years, but we have been 19 years in Cambodia and Laos as well. This experience has often been referred to as a frustrating and an unsuccessful one. I must say that I do not share that view. I am now speaking personally, but I do not share the view that the experience has been a completely frustrating one. I feel that the commission did serve, from time to time, particularly at the beginning, a valuable purpose. Nevertheless, 19 years is a long time and human memory is short. Thus, many forget what has taken place over this period.

I believe that we were right in 1954 in accepting the responsibility which was extended to us. Together with Poland and India, as representatives of the nations of the world, we attempted to effect a cease-fire and, ultimately to bring about a peace, which, unfortunately, is only now before us.

The record is there to show that our foreign service officers and our military personnel have rendered a great service in the cause of peace, even though their efforts did not ultimately succeed. This service has become part of the Canadian international tradition, and has been now for many years, certainly since 1956. We participated in peacekeeping operations or peace observation missions such as that in Lebanon and the Kashmir in the hope of making some contribution to the renunciation of war as an instrument of national policy.

But even in latter days, when the war in Vietnam was most bitterly raging, I would not personally draw the conclusion that the commission on which Canada then served was not a useful body. Undoubtedly it was a frustrating experience; undoubtedly as each campsite was closed in Vietnam, in Laos and in Cambodia, it became impossible fully to perform the task. But I can say that we had every intention, and, indeed, we hoped from 1965 on, in answer to an invitation extended to us and other nations by President Johnson, that the commission would be used as a means of bringing the parties together, as a means of encouraging, together with Poland and India, a cease-fire.

• (1500)

When we could not persuade Poland and India that the commission should be used to contact Hanoi and Saigon, for purposes of promoting peace talks, we used that contact ourselves. Canadian representatives on the three-state commission have maintained contacts from 1954 right up until this day with both sides, and for part of that time for this very purpose.

We thought that during the period from 1965 to 1968 in particular this contact would bring an opportunity for dialogue between Hanoi and Saigon, between the Canadian member of the commission on behalf of all the parties. We were invited by President Johnson, as were other countries, to do what we could to try to bring about a cease-fire arrangement, and the record, when it is exposed—and I certainly intend at the proper time to expose it—will show that the commission did serve a constructive and useful purpose. The fact that it did not succeed does not in any way destroy the potential usefulness of that mechanism, for the purpose I have mentioned.

Even if all the essential criteria that the government is laying down at the present time were met, except that which relates to the existence of what Mr. Sharp calls "a continuing political authority," we would nevertheless serve on the international commission for a period of only 60 days pending the formation of such a political authority. But if no such authority were established, or if, once established, it ceased to exist, Canada reserves the right to withdraw.

The point here, and it is an important one, is that when the commission was set up in the case of the 1954 Geneva accords, it was agreed that the two co-chairmen of that conference, the Soviet Union and the United Kingdom, would act as co-chairmen and the members of the commission would report to them. It proved not to be a very salutary arrangement, because the two co-chairmen felt they had to act together, and while there were occasions when the United Kingdom was prepared to act, it was not able to convince the Soviet Union that it should do so, and the result was that this "political authority" set up in 1954 was unable to bring about a cease-fire or a settlement.

Honourable senators, this time we hope that there will be a political authority. We have expressed the view that preferably it should be the Security Council of the United Nations. Toward the end of February there is to be an international conference in Paris for the purpose of elucidating these matters. At that time Canada, Hungary, Indonesia and Poland will be in attendance together with representatives of those parties that were engaged in the fighting.

We did not participate in the conference in 1954, but we did participate in the Laotian Conference in 1962. We were then, of course, *functus officio* members of the commission and on that account we were invited to the 1962 conference. But the Canadian Government hopes that at the conference to be held in Paris at the end of February there will be set up this political authority, this body to which the four members of the commission may report. It would be unjustifiable to set up a commission unless the body was able to report to some authority.

The presence of Secretary-General Waldheim as one of the participants in the conference justifies one in hoping that the political authority might well be some organ of the United Nations. I think, in retrospect, it is remarkable that the United Nations had no part whatsoever in the regrettable war in Vietnam. There was no more frustrating experience than to go to the United Nations, a body set up to try to provide collective security for the world, and find it had no authority with respect to the situation in Vietnam at all. Neither North Vietnam nor South Viet-Nam was a member of the organization, and China was not a member, and so we had the situation that the United Nations, designed to promote peace in the world, was unable to act because of constitutional inadequacies. That situation may be remedied this time by the presence of the Secretary General at the conference and may well determine the future course of the commission's operations.

When the cease-fire agreement was signed on January 27, Canada and the Canadian Government had to decide immediately whether or not to take part in the new international commission. We could have chosen not to participate, and by doing so we might well have blocked the way to a settlement. No one, I am sure, would want us to have done that. Instead, we decided to engage ourselves for 60 days and to fulfill our responsibilities to do all we could, not only in discharging our obligations as members but to further the cause of peace which all desire. We have now accepted a 60-day participation and we may accept a much longer participation after the conference in Paris. That remains to be seen. But our 60-day participation will allow us time to evaluate the situation, to see whether a continuing political authority is going to be provided, and to see whether there is sufficient goodwill to make the agreement work. There will certainly be need for goodwill between the parties because no peacekeeping operation, no peace observation group such as this one, can work unless there is goodwill between the parties.

• (1510)

We are now in Cyprus, and we have been there since 1964. We would not be there if it had not been for the agreement of the host country. We would not stay there unless it was clearly understood by the parties involved that we should. The same will be true in Vietnam.

[Hon. Mr. Martin.]

No one should expect this body of a few hundred people from four countries to be able to perform their function in Vietnam unless all of the parties involved in the fighting of yesterday are themselves prepared to see that the peace is kept. The parties of the ICCS will have to report on the extent to which the peace has been kept. They have solemnly committed their countries to do so.

Hon. Mr. Deschatelets: Would the Leader of the Government permit me a question? I understand from the motion that Canada has agreed to participate for a period of 60 days. Are we the only country whose participation is limited to 60 days?

Hon. Mr. Martin: Yes, that is the case. The other countries have put down some conditions, but they have not stipulated a condition such as this. I want to make it clear that this limitation in time does not mean that we do not recognize the value of the commission. We are aware of the frustrations that will be involved, and what will be said of the operation in years to come. We have, however, laid down four conditions which, if they are observed, will justify our accepting the heavy responsibility.

The machinery for the cease-fire is twofold. There are to be two joint military commissions known as the Four Party-Joint Military Commission, composed of the United States of America, the Republic of Viet-Nam, the Democratic Republic of Vietnam, and the Viet Cong; and a Two Party-Joint Military Commission made up of the Republic of Viet-Nam and the Viet Cong. These military commissions will interact with the ICCS on which we are now serving for this limited period, and in connection with which a longer period of consideration will be given in light of the respect or attention paid to our conditions.

While it is important to reiterate that neither the Canadian delegation to the ICCS, nor that commission as a whole, is a force to keep the peace, it is equally important to point out that the international commission cannot function at all unless the two joint military commissions demonstrate goodwill and unless they agree to function effectively with the ICCS.

I assume honourable senators have looked at the complicated agreement and the accompanying protocol. There are many complexities of the texts embodying the international observer arrangements and it appears that serious inadequacies for Canada remain in these documents. But, given the difficulties of the peace negotiations in Paris and elsewhere over a long period of time, and particularly during the past month, it will be understood how difficult it was to reach an accommodation that would bring about a cease-fire and, hopefully, a more lasting peace arrangement. However, it is important to note at this stage in our deliberation what these inadequacies are.

The agreements worked out in Paris do not by themselves provide for a continuing political authority, the kind of political authority that Mr. Sharp has laid down as one of our conditions. Perhaps it would have been impossible for the warring parties to have ended the fighting had they to agree on all political points beforehand. But the Government of Canada would have preferred it if both the agreement and the resulting supervision had come under the authority of the United Nations, the

Secretary General, as I indicated earlier, acting as the continuing, political authority.

The agreement obligates unanimity on the part of the four members of the commission. As a result, there is a veto; but this is not a new arrangement. The international commission as a whole and each of its teams comprising representatives of the four nations involved must act as a single body.

Despite the expressed opposition to the principle, each of the four nations represented on the international commission is expected to pay not just the salaries and maintenance of their own personnel, but a fixed percentage of the commission's budget as well. I said at the beginning that in spite of the expressed opposition to this principle, the Canadian government has agreed to be responsible for the cost of its participation and to bear a small percentage cost of the expenses of the whole commission. This was the case with the supervisory commission set up in 1954. Mr. Sharp indicated his opposition to being called upon to pay for other than Canadian costs. However, he said, and I think rightly so, that we were not prepared to let our objection stand in the way of progress being made in so vital a matter.

Finally, speaking about inadequacies, no arrangements are foreseen for widening the cease-fire to include Cambodia and Laos. Nor does there seem any intention of having these countries participate in the international conference. It is the position of the Canadian government that the involvement of Asia in this whole matter is so slight as to cause us disappointment. However, the Secretary of State for External Affairs has made it clear that our criticism of a very difficult task in Paris is not meant as criticism of the accomplishment to date. Rather it is to point to the enormity as well as the restrictions of the task undertaken in achieving a cease-fire. It is to lay bare the problems that can be foreseen. It is also an attempt to explain why total commitment cannot be undertaken by Canada at this time.

• (1520)

We are determined, as the Prime Minister said, not to be frustrated by the shortcomings that we see. We are doing everything to overcome these. We shall, whenever possible, open the doors of the commission to the public and allow its activities to be viewed. Nor shall we consider Canada in any way bound to keep privy its differences with other delegations on the commission. It will be at the end of the period of 60 days that we will form judgments which will determine our future course of action. On the basis of our evaluation at that time we will make decisions on continued participation. My colleague, Mr. Sharp, I think, has been candid in his discussion of this matter. He has said that the international observer arrangements are unpromising, and that no one should assume as a matter of course that continued Canadian participation will be forthcoming.

Honourable senators, this will not be the whole story. We will have to await the results of the conference in Paris before the government can decide upon the next course and, of course, it will always be open to Parliament to discuss decisions the executive has taken, but within the parameters of our conditions it seems to me that in this very vital situation in Asia the responsibility of Canada in the international system is evident. We signed the charter of the United Nations in 1945 because we believed that war was an anachronism. We believed that the time had come when war should no longer be an instrument of national policy. We have as a nation lived up honourably to our commitment. We have served in many peacekeeping operations, notably that proposed by Mr. Pearson in 1956, the United Nations observation group in Lebanon, the United Nations truce and supervisory organization now operating in Palestine, in Cyprus, Kashmir, and so on. We have done so because we believe that all nations have a responsibility to co-operate in building a peaceful world and eliminating the occasions of conflict.

We had nothing to do with bringing about the situation in Vietnam. We are involved there because we have been invited to serve in the cause of peace. We have accepted the responsibility to try to bring about a cease-fire, a responsibility that will occupy the minds of members of the two Houses of Parliament when consideration is given to the commitment for 60 days, and to the course that we will consider at the end of that period. I am also sure that Canadians generally are proud of the role of our foreign service officers and military personnel in Vietnam, Laos and Cambodia over a period of 19 years. This was one of our first vital contacts with Asia and with troubled Indochina. The contributions that Canadians have made there is something of which we should all be proud.

I have the greatest confidence that in this difficult situation Canadians will again, given the right circumstances, accept an international responsibility as their way of asserting, through their foreign service officers and military personnel, that they believe the most effective way to maintain law and order in the world is not by the use of force, but by the employment of those methods which have kept order and peace in the domestic community.

Hon. Mr. O'Leary: Honourable senators, I move the adjournment of the debate.

Hon. Mr. Connolly (Ottawa West): Would Senator O'Leary mind if I ask a question?

Hon. Mr. O'Leary: Oh, no.

Hon. Mr. Connolly (Ottawa West): Thank you very much. Honourable senators, I do not rise for the purpose of making a speech, but simply to ask two questions of the Leader of the Government.

He indicated that the first observer group that Canada had in Indochina back in the 1950s was frustrated, part of the frustration arising from the fact that the United Nations could do nothing to help. Now it is proposed that some agency of the UN should be a continuing political authority to which the supervisory group, to which Canada has now attached itself, can report. How is this agency of the UN to assume authority? Is this going to arise out of agreement, or a hoped for agreement, to be concluded in Paris at the end of this month between the four belligerents, as well as the four members of the International Commission of Control and Supervision in Vietnam?

Hon. Mr. Martin: Yes, at the conference in Paris there will be the four parties to the Paris agreement, the four

members of the commission, and the Secretary General of the United Nations, together with representatives of certain other countries, such as the People's Republic of China. It is anticipated that as a result of the conference it will be agreed to set up an authority to which the commission may report. We have expressed the hope that that body might be the security council of the United Nations.

The conference may decide that it should not be the security council, but the Secretary General. In any event, we hope that there will be an authority, a body to which the commission can report.

Hon. Mr. Connolly (Ottawa West): In other words, it is to be done by agreement, if it is to be done at all?

Hon. Mr. Martin: By agreement.

Hon. Mr. Connolly (Ottawa West): There is another question about which I wonder, and perhaps it is something that the Leader of the Government cannot reply to now. In addition to the control and supervisory group to which Canada is attached, Senator Martin said there are established in Vietnam two joint military commissions. Presumably these are what their name implies, namely, military bodies that are capable of taking military action. What is the relationship between the control and supervision commission and the two military commissions? To be more specific, are these military commissions policemen to whom the Canadians and the other three groups in the control and supervision commission can refer in the event of trouble between the belligerents?

• (1530)

Hon. Mr. Martin: Under the present arrangement there are two joint military commissions. If a disagreement concerning the implementation of the Paris agreement arises, it is presumed that these two bodies will go to the scene and attempt to resolve the violation, if possible. If they cannot settle the dispute, the matter is referred to the ICCS. But it should not be assumed for one moment that the military commissions will, against a reluctant party, be able to keep the peace. No one can keep the peace in a situation like this unless, as I said earlier, all parties want peace.

The military commissions will represent the four parties that participated in the Paris conference. They will have their own staff, but they will not be capable of using force as a means of correcting a situation. One could not have a peace force big enough to do that task, unless it became a belligerent itself. In the beginning the military commissions will be made up of representatives of the four parties participating in the Paris conference on Vietnam. It will be presumed that they have the approval of their respective authorities to take the necessary action under the agreement preliminary to the act of observation by the International Commission of Control and Supervision in the event that the dispute cannot be resolved.

Hon. Mr. Connolly (Ottawa West): Perhaps I may be allowed to ask one supplementary. Will these two military commissions act in every case on their own initiative, or at the instance of the supervisory commission?

Hon. Mr. Martin: They will act on their own. Just as the supervisory commission must agree, so must the military commissions agree. One cannot impose a condition on these people. The military commissions will represent the four parties. If they do not agree, it will be a case of frustration, a case of failure.

Hon. Mr. O'Leary: Honourable senators, I rise—

Hon. Mr. Aird: With the honourable senator's consent, I have one question that I should like to direct to the Leader of the Government. It is really an expression of opinion relating to the 60-day period. In the event that Canada should decide to withdraw within the 60-day period, and the other participating parties do not, such a step would be of significance, not only to Canada but to the world, and the 60-day period would seem to be unrealistic. I should like to have the opinion of the Leader of the Government as to its validity.

Hon. Mr. Martin: Senator Aird knows, of course, that as a member of the government I can only express the opinion of the government itself on this matter. The four conditions which have been laid down in this instance are basically no different, except with regard to the 60-day period, from those laid down by Mr. Pearson in 1954.

It is true there was no control period at that time, but the situation that confronted the government on January 25 was certainly different from that which confronted us in 1954. The war was over. All of the parties were meeting in Geneva, arrangements had been made, and a proposal, new to the international community, was made—namely, that there should be an observation peace mission.

It is because of the frustrations and difficulties over a period of 19 years that the government, on this occasion, felt that unless we could be certain that there was going to be peace, with a minimum of running conflict, we would be embarking—as would other countries—on an action which could not hope to succeed. My view is that the 60-day experiment is a good one. It was a wise precaution laid down by the Secretary of State for External Affairs.

In Senator Aird's question there was implied a very important point. Assuming that at the end of the 60-day period Canada decided not to continue, what effect would it have on the instrument of the commission itself? He could have added, what effect would it have on the three other member states? I think we can look at that situation if and when it arises. My own view is that the conditions which Canada has laid down are sensible, and that they will be recognized as such by the members of the commission.

The parties are anxious that Canada should be a member of this commission, and there are strong reasons for believing that great attention is being paid to the four conditions we laid down.

Hon. Mr. Aird: I thank the Leader of the Government for his answer. The point I am making, obviously, is that in a situation of this kind there eventually becomes a leader. I suggest that in laying down this unique condition of 60 days, Canada may have put itself in the position, and taking the risk, of being the judge of the peace. That is the reason for my question.

Hon. Mr. Martin: I am speaking longer than I had intended, but Senator Aird has suggested that there is a role of leadership here. In the particular situation that now confronts the commission in Saigon, I am sure we have all a sense of pride in the leadership shown already

by our ambassador to Greece, Michel Gauvin, who is the first Canadian representative on the commission. I know that some members of this house know Michel Gauvin. He has been in our public service since 1945; he has had a distinguished war record, and is a citizen of Quebec. He has already emerged as a significant figure in the operation in Saigon.

As a friend of his, as one who had the responsibility of sending him to the Dominican Republic in 1965 to deal with the situation then existing there, and later, in 1966, to Africa, I have great confidence in the contribution he will make. I have similar confidence in the contribution of our foreign service officers and members of the Department of National Defence.

I am sure we are all anxious that Canada should contribute to this whole arrangement, if it is going to be the means of minimizing conflict. I do not think that I can state the situation or the position of the government any better than I have.

• (1540)

Hon. Mr. O'Leary: Honourable senators, my motion to adjourn the debate seems to have failed rather miserably. I rise now on a question of privilege to ask if I could be given permission under the rules to withdraw my motion to adjourn?

When I made the motion I did not realize that Senator Forsey was in the chamber. I understood two or three days ago that he wished to speak on this question and he now desires to do so. If there is permission for me to withdraw my motion, I should like to have Senator Forsey take my place.

Hon. Senators: Agreed.

Hon. Eugene A. Forsey: Honourable senators, I am extremely grateful to Senator O'Leary for his courtesy. I do not propose to detain the house long. I could, I suppose, wait until Tuesday evening or later, but there were certain reasons which I felt made it desirable that I should speak this afternoon if at all possible.

I had some diffidence about asking Senator O'Leary to take the step he has, because I know he dislikes having two supporters of the government appear in succession. But I do not propose on this occasion to say anything that I think will be regarded as unduly partisan.

Hon. Mr. O'Leary: We cannot always assume that you are always going to support the government.

Hon. Mr. Forsey: I am grateful for that intervention, also.

Before I embark upon the substantive part of what I wanted to say, I should like to say how very much I have admired—and I think a great many other people have admired—the, in my view, extraordinarily able and comprehensive and judicious statements made by the Secretary of State for External Affairs in the other place and by the Leader of the Government here on this extraordinarily complicated and difficult problem. I should like also to say that I am sorry that more attention has not been paid in the public press, or perhaps elsewhere, to a magnificent, a superb speech on the Opposition side of the House of Commons by Mr. Gordon Fairweather. Those of us who know Mr. Fairweather and his work in Parliament were not surprised by the quality of that speech, but I think that even for Mr. Fairweather it was a particularly notable and particularly fine performance, and one that deserves to be read by every member of both houses, and to be taken into serious consideration by the government. It was a most comprehensive speech; it was a most positive speech; it was a most constructive speech. It was filled with statesmanship and good judgment.

The particular reason why I wanted to speak on this subject this afternoon arises out of certain remarks that were made in the other place about the sovereignty of Parliament. There seems to be some feeling that in the resolution presented in the other place by the Secretary of State for External Affairs—a resolution, I think, identical, or at all events nearly identical with that presented this afternoon by the Leader of the Government here—that in that statement there was insufficient regard for the rights and the sovereignty of Parliament. Two amendments were introduced for the purpose of remedying what the Opposition parties felt to be this omission

My own feeling is that the sovereignty of Parliament is not really in question here at all—in the resolution presented by the government in the other place and here. The sovereignty of Parliament is beyond doubt. It cannot be put in question. But it is necessary to be clear about the difference between the legislative and the executive powers. Parliament has no executive powers. Its power is explicitly, under the British North America Act, to "make laws for the peace, order and good government of Canada," with the exceptions which follow. Neither house has any executive powers—in contrast, incidentally, to the American Senate, which, of course, has the power to ratify treaties and to approve appointments to the Supreme Court of the United States, and I think certain other posts also; ambassadors, if I remember correctly. At any rate, it has certain executive powers which neither house here has.

Parliament, especially the House of Commons, has, of course, power over the executive. But that is another matter. Parliament can advise, instruct, and limit the executive, both by statute and also by resolution. The House of Commons can remove the government, or force it to appeal to the people of the country. But Parliament cannot, and the House of Commons cannot, perform executive functions. That is not only a matter of the law of the Constitution. It is a matter of sheer common sense. It is obviously impossible for a large body like even one of the two houses to perform executive functions.

The power of Parliament to advise, to limit, to instruct, can be exercised even in matters of foreign policy. There is ample precedent for that. I have on my desk here Todd's *Parliamentary Government in England*, in which there are a series of references to motions of that kind proposed, and in some instances carried, in the British Parliament over a very long period. I can give the exact page references, if anybody wants them. There is no question about this power of Parliament, or of either house, to instruct, to advise, to limit. But, especially in foreign policy, that power, I think, must be exercised with peculiar care.

The executive has, and must have, information which is not at the disposal of Parliament, and which cannot be at

the disposal of Parliament. There is certain secret information which comes to the executive which cannot, at least at the time when it comes, be disclosed to Parliament without imperilling good relations between nations.

Unquestionably, also, immediate action may sometimes be called for in matters of foreign policy where it is utterly impossible to get the prior approval of either House of Parliament, let alone both houses, in order for the executive to act with the necessary speed. Parliament should, of course, be given all possible information and every possible opportunity to discuss these questions. But fundamentally Parliament and the House of Commons must trust the executive to carry on foreign policy, subject to the controls already noted.

That brings me to one specific consideration. If you are going to lay it down that the executive can only move with the prior approval of Parliament or of one house in these matters, you are faced with the fact that Parliament may not be in session when some crisis arises; that Parliament may not even be in existence. It is perfectly possible that a crisis may arise after the dissolution of Parliament has taken place and before a new Parliament can legally meet. A period of two months may elapse between the dissolution of one Parliament and the earliest moment at which a new Parliament can meet, and one cannot say that during a period like that—at least, it seems to me one cannot, in common sense—say that during a period like that the executive government of the country must be in a state of total paralysis in any particular matter of foreign affairs. It may have to act and have to act immediately, not only for the good of the country but even for the good of the international comity.

Sometimes the action that may be required may have to be taken in a matter of hours. It is easy to say that Parliament can be recalled quickly, but hardly quickly enough for that, even with modern means of communication and transportation.

That brings me to the two amendments to the resolution which were proposed in the House of Commons on February 1. And I venture to say that in the light of the considerations I have just been setting out, and especially in the present circumstances when a fresh election might take place in this country in the very near future—I hope it will not, but it might—both those amendments were ill-judged. I sympathize with the intent of the proposers of both amendments, but I still think they were ill-judged.

• (1550)

The second amendment, to my mind, which called for prior approval of the other place for withdrawal from the International Commission of Control and Supervision, is particularly ill-judged, because the government might find at a given moment that the Canadian personnel of the commission were in imminent danger of death, and it would be absolutely essential to get them out of there in a matter of hours, almost a matter of minutes. Indeed, we have foreseen this by placing a Canadian naval vessel in the waters off the coast of Indochina, if I am correctly informed, for the express purpose of removing our personnel in case of great danger. It seems to me completely impossible for the government to have to say, "Oh well, we cannot get these people off. It is true they may be massacred at any minute, but we cannot get them off because we have to take the matter to the House of Commons and get a prior resolution of the House of Commons permitting us to do so." If, of course, the other place had for the time being ceased to exist because of a dissolution, the case would be particularly absurd.

I sympathize with the desire of both Opposition parties in the other place to make sure that Parliament is adequately informed, and that Canada is not committed to some vast undertaking of unknown proportions which might blossom like the American intervention in Vietnam. But our very limited undertaking there now is, in my judgment, in no way comparable to the kind of wide open, open-ended intervention in which the United States engaged in Vietnam, which developed into the awful situation we are all familiar with. Ours is a carefully limited intervention, limited by a series of conditions, and in those circumstances it seems to me that the amendments presented by the Opposition parties in the other place were, as I said a moment ago, ill-judged. I might perhaps be tempted to use a somewhat stronger term, but I think that is sufficient.

I think the legitimate purposes which both amendments had in mind can better be served by other means, and that the two amendments that were proposed could seriously interfere with immediate and necessary action by the government to withdraw our participants from the International Commission of Control and Supervision, and could also interfere with a possible action by the government to continue our participation at a time when it would be impossible to consult either House of Parliament because Parliament had ceased for the time being to exist.

I wanted to make those few points clear about the constitutional position in this matter, because I think it is unfortunate that there should be misunderstanding on the subject, and unfortunate that questions should have been raised in the other place on the basis of what seems to me a fundamental misunderstanding of the working of our constitutional arrangements.

On motion of Senator O'Leary, debate adjourned.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act to amend the Unemployment Insurance Act, 1971 (No. 1)

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, February 13 at 8 p.m.

THE SENATE

Tuesday, February 13, 1973

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

Prayers.

DISTINGUISHED VISITOR IN GALLERY

MR. PAUL KEATING—MEMBER OF AUSTRALIAN PARLIAMENT

Hon. Paul Martin: Honourable senators, I should like to direct the attention of honourable senators to the presence in the gallery of a young and distinguished parliamentarian from Australia, Mr. Paul Keating, who recently headed the delegation of his country at a meeting of Commonwealth ministers at Lusaka, Zambia. We are honoured to have him within our precincts this evening, and we extend to him a very warm welcome.

Hon. Senators: Hear, hear.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of Permits issued under the authority of the Minister of Manpower and Immigration for the year ended December 31, 1972, pursuant to section 8(5) of the Immigration Act, chapter I-2, R.S.C., 1970.

Revised Capital Budget of the Northern Transportation Company Limited for the year ended December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-1866, dated August 25, 1972, approving same.

Capital and Operating Budgets of the Canadian National Railways for the year ended December 31, 1972, pursuant to section 37(2) of the Canadian National Railways Act, chapter C-10, and section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-1865, dated August 25, 1972, approving same.

Revised Capital Budget of Air Canada for the year ended December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-138, dated January 18, 1973, approving same.

Report of the Department of Communications for the fiscal year ended March 31, 1972, pursuant to section 6 of the Department of Communications Act, chapter C-24, R.S.C., 1970.

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1972, pursuant to section 10 of the Prairie Farm Rehabilitation Act, chapter P-17, R.S.C., 1970.

Report of the Department of Regional Economic Expansion for the fiscal year ended March 31, 1972, pursuant to section 22 of the Department of Regional Economic Expansion Act, chapter R-4, R.S.C., 1970.

25862—15

First Annual Report of the Ministry of State for Science and Technology covering the period from the formation of the Ministry in the latter half of 1971 to March 31, 1972, pursuant to section 22 of the Ministries and Ministers of State Act, part IV of chapter 42, Statutes of Canada, 1970-71-72.

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

BILL TO AMEND—FIRST READING

Hon. Allister Grosart presented Bill S-3, to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate representation).

Bill read first time.

Hon. Mr. Grosart moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

• (2010)

THE SENATE

INTRODUCTION OF GOVERNMENT LEGISLATION—QUESTION

Hon. Jacques Flynn: Honourable senators, I should like to ask the government leader whether it is his intention to convince the government to introduce some legislation first in the Senate as was done in former years. It seems to me that most of the time we are waiting for the other place to pass legislation, and perhaps it would be helpful on some occasions if we dealt with it first.

Hon. Mr. Argue: Senator Grosart has done that tonight.

Hon. Mr. Flynn: That is not a government bill. I suggest to Senator Argue there is quite a difference.

Hon. Mr. Grosart: That was just to fill the gap.

Hon. Mr. Martin: Honourable senators, I agree with the Leader of the Opposition that this is a desirable practice. However, most of the bills that have passed consideration by the Cabinet and are now available are money bills, but I do hope that if bills that are within our jurisdiction become available they will be presented here.

Hon. Mr. Argue: Yes, like capital punishment.

Hon. Mr. Flynn: The pilotage bill was not a money bill, in any event. That bill came to us as a surprise in the absence of the Leader of the Government.

SENATE CHAMBER

SEATING PLAN

Hon. Frederick William Rowe: Honourable senators, I rise on a point of order. I notice there are a number of visitors here this evening who are apparently using the same Senate seating plan that I have in my hand. In view of the fact that at least 50 per cent of the plan that I have

is inaccurate, I suggest we discontinue using it. We only cause confusion and misunderstanding to visitors, and, for that matter, to new senators, who are endeavouring to ascertain which senator is speaking.

Hon. Mr. Croll: It is 70 per cent inaccurate.

The Hon. the Speaker: Honourable senators, I understand there will be a new plan issued, but it is not printed yet. Rather than give nothing to people in the gallery and those who visit the Senate chamber we thought it better to give them the old one and tell them it is not up to date.

I might say that I had a large group here today who were delighted to have this guide because of the information it contained, even though the seating plan is inaccurate. So I think it is still quite valuable.

VIETNAM

CEASE-FIRE AGREEMENTS—CANADA'S ROLE IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—DEBATE CONTINUED

The Senate resumed from Thursday, February 8, the adjourned debate on the motion of Senator Martin, that this House welcomes the conclusion of the Agreements on ending the War and restoring peace in Vietnam and notes the provision for an International Commission of Control and Supervision as part of the cease-fire arrangements, in which Canada has agreed to participate for the initial period of 60 days as provided for in the Note, dated January 27, 1973, from the Secretary of State for External Affairs to the four Parties to the Vietnam cease-fire.

Hon. M. Grattan O'Leary: Honourable senators, I certainly do not intend to waste the time of the house in a long discussion of what is a *fait accompli*, nor do I intend to debate with my old friend, Senator Forsey, the matter of whether the government should have the authority of Parliament if or when it decides that after 60 days, certain circumstances existing, our observers should be called home.

In this day and age no one challenges the supremacy of Parliament. Some may try to abuse it, some to escape it, but it stands nevertheless as the rock foundation of our system, something we must ever believe, assert and affirm. But in our world, our world being what it is, there remains a question of balance, and that balance we must strike between Parliament's supremacy and the duties and problems which beset an administration in a turbulent and rapidly changing world. Unfortunately, events have a way of not waiting, so I would agree with Senator Forsey that, in the not unlikely event of hostilities being renewed between North and South in Vietnam and those hostilities perhaps endangering the lives of our observers, then the government should not wait for Parliament's authority before trying to save those lives. I think that should be self-evident to any reasonable person, regardless of party. I think any sensible person in this country, or any party in this country, would want something like that to happen. That is what I mean by balance, but what I think should have happened and what I think could have happened is that when the government agreed, or decided, to send observers to Vietnam it should have come to Parliament, announced its decision there, and got the feel of Parliament about it.

In Canada today under the existing government set-up we have too much government by television. Too much government by television, announcement of policies, defence of policies, lead to public misunderstanding and confusion and, God knows, there is enough confusion already about the place of Parliament, about its supremacy and how it should operate.

We hear again and again of Parliament's ratification of treaties. Honourable senators, there is no such thing as Parliament ratifying treaties. The word ratification is not even used when Parliament approves treaties. Parliament consents to treaties. It can approve treaties and it could, with possibly dangerous consequences, reject treaties, but the fact is that Parliament does not ratify treaties. As I said, the word "ratification", used so often, is not even used in the documents, whatever they are, in approval by Parliament. This is understandable. We could and perhaps we should reject certain treaties, but that rejection, the world again being what it is, could be fraught with dangerous consequences. My complaint is concerned with the government rushing to television to announce and to defend—almost to apologize—for sending a mission to Vietnam.

• (2020)

This mission has been described again and again as a peacekeeping mission, and that, honourable senators, is utter nonsense. We have not sent a peacekeeping mission to Vietnam, and responsible ministers of the Crown should not be going around the country leading the public to believe that this is what we have done. If you read the press, or a large section of the press, if you watch TV or listen to radio, it is hardly possible to escape the belief that we have sent to Vietnam some kind of peacekeeping mission, yet we have done nothing of the kind.

What we are doing, and all we are doing, is sending a group of reporters to Vietnam. Why some of them have been put in uniform, under the command of a major general, God only knows. We had the spectacle of His Excellency the Governor General, the Prime Minister, and the Minister of National Defence going to Montreal to see these people off. That in itself was a misleading thing.

Why on earth should the Minister of National Defence be there when we are merely sending to Vietnam a body of observers? These are good people. These are dedicated people. I have nothing against them. But it is sheer nonsense for the press to have made all this fuss about the thing. You would almost think we were sending forces to Vietnam to take on the Viet Cong or the North Vietnamese single-handed. This is absurd. Even the other day, the Leader of the Government in this house, in the brief statement he made, used the term peacekeeping. He said "other peacekeeping missions," and in the context of what he was saying this could mean only one thing, that this too was a peacekeeping mission. My honorable friend is looking at me as if he doubted this but, unless it has been deleted from *Hansard*, it is there, and he can find it.

Hon. Mr. Martin: I said it was not a peacekeeping mission, and Senator Grosart took issue with me and said it was. I said it was a peace observation group.

Hon. Mr. O'Leary: You also spoke of other peacekeeping missions. What other peacekeeping missions were there? This must have been a peacekeeping mission too. Surely, no one understands the English language better than you do, and in the context of your speech when you said "other peacekeeping missions" you must have meant that this was a peacekeeping mission too.

But that was not the worst. Last week the Minister of National Defence, in the House of Commons, told how proud he was to be sending fighting men out of Canada, not to fight but to stop the fighting. That, honourable senators, is what Mr. Churchill once called a terminological inexactitude—and worse; it was a dangerous abuse of words, and utter nonsense. These men are not being sent to Vietnam to stop the fighting. They could no more stop the fighting there than I and my Belfast friend, Senator Thompson, could stop the fighting in Belfast if they sent us over there tomorrow. Why on earth are we losing our perspective?

Hon. Mr. Côté: You would start another war.

Hon. Mr. O'Leary: If I valued my friend's opinions I would want to reply to them, but I don't. I shall not be bothered by interruptions of that kind.

They have given the impression all over this country, causing misunderstanding and confusion, that we are sending to Vietnam a peacekeeping mission, and we are sending nothing of the kind. We are sending observers and reporters, and, as I said before, I don't know why in heaven's name we should have put them in uniform with a major general commanding them. This is utter nonsense, and this is the sort of thing that goes on when you have government by television. It is getting now that you can't turn on your TV set without seeing Mr. Mitchell Sharp explaining or defending or condoning, with a sort of a guilt complex, what we are doing in respect of this thing.

I resent that sort of thing. As a journalist I believe there should be some responsibility in journalism. But how can you expect that when responsibility, exactitude, and respect for words are violated day after day by members of the Cabinet.

There is something else. We are told that if things do not go as we expect or hope them to go in Vietnam, we are going to ask our people there to pick up their marbles and come home. That again, honourable senators, is humbug. Our men are not coming home in 60 days, and no one knows it better than the Leader of the Government in this house.

What has happened in the past? I remember six years ago the then Leader of the Government in this house, Senator John J. Connolly, announced that we were sending a peacekeeping mission to Cyprus, and it was a peacekeeping mission in that case. I asked him at that time if other countries were sending forces to Cyprus and he said, and I think quite properly, that he was not in a position to say whether they were. I think he was right. But the fact is that very few other countries sent people to Cyprus. Now six years later our force is still there. They are advertized as a United Nations force, and that again is humbug. They are not a United Nations force. They are Canadian soldiers paid by Canada, their pensions are paid by Canada, and not one nickel is contributed to the support of that force by the United Nations. It is a Canadian force. When people talk about that bankrupt organization, the United Nations, having a force in Cyprus they are just talking nonsense.

So I do not believe these people are going to come back in 60 days. I am sure they will not come back so soon. I call as witness to that a very able commentator, whom I am sure my friend the Leader of the Government is familiar with, Mr. Mark Gayn. Mr. Gayn is in Saigon at the present time. He wrote a dispatch for the *Toronto Star*. He is a journalist of world renown. This man ranks with Sulzberger and James Reston of the *New York Times*. He wrote on Saturday a dispatch from Saigon, and I propose to put it on *Hansard*:

> Now and then, ever so subtly, Canada reminds her Hungarian, Polish and Indonesian partners on the observer force that she is committed to stay here for only 60 days. After that, she wants to take a fresh look, and if she does not like what she sees, she will leave.

He goes on to say:

> The very idea of that shocks the Indonesians, but the Hungarians and Poles take it lightly. Wise in the ways of politics, they think Ottawa cannot be serious. The fact is that there is no easy way out of the observer force.
>
> They know that, unless there is a total breakdown of the cease-fire, Canada will stay on, endure the frustrations, bear the costs and find excuses to offer to the electorate.

And then he says:

> Indeed, the whole notion of reassessment after the first 60 days may have been thought up primarily to still the doubts at home. There were the memories of two decades of wasted effort by the old International Control Commission, and all across the land editorials urged the government either to stay out of the peacekeeping venture or at least to look carefully before going in.
>
> The government did the manful thing.

I do not know if that is the right word.

> It said it would go in, but look at the whole enterprise again around May Day.
>
> If it was in earnest when it made that pledge, it does not understand the world in which we live. This is a time of colossal re-alignments, and for Canada to insist that she will do her own thing while the world is swept along by the new tide is, to put it mildly, naive.

• (2030)

> Is this an exaggeration? Try to visualize what might well be the picture around May 1. The fighting has largely died down, but there is a political struggle for every hamlet in the south. Saigon is determined to hold all it has . . .
>
> This will be peace at 60 per cent, something similar to what happened in 1954 after the French retreated from Indo-China . . .
>
> Will Ottawa say that 60 per cent is not good enough, that the venture is futile in the long run, and announce it is bringing its men back home?

> It is easy to imagine what would happen then: powerful pressure from Washington, and perhaps from other western nations, to reconsider; the charge that Canada was sabotaging the peace. The editorial writers will begin to say that the government cannot shirk its responsibilities, and that if it does, we had better get a new one.
>
> One is almost tempted to agree—

And this is Mr. Gayn.

> —with the Poles, Hungarians and sundry cynics who insist that Ottawa never meant its 60-day pledge to be taken seriously.

I do not believe that in 30 days, 60 days, or twice 60 days, the Canadian forces, or the Canadian mission, now in Vietnam will be on their way back to Canada. This has not happened in the other engagements we have made around the world.

I now want to say something that I know is not in the hearts of those who sit around me. I am afraid I will be in disagreement with most of my colleagues, with my party, and I want to insist that I am speaking solely for myself in saying that so far as I am concerned I would not have sent that mission to Vietnam. This country, this land of ours, is distressed and oppressed by manifold problems, by problems that are bearing upon our nation and undermining its morale. Seventy-five per cent of our people over 65 years of age live in poverty in this land of so-called plenty. These are things that exist in our own country, and these are things to which we should be addressing ourselves. Yet we are sending people all over the world to oversee the conduct of others. We, like our American friends, who have more power to do it than we have, are trying to regulate the behaviour of mankind all over the world, and that is nonsense. We shall make precious little contribution to setting the world's house in order unless we first show some capacity to set our own house in order.

I would not send those people to Vietnam. If the United States and other nations wanted somebody to observe and report upon what is going on in Vietnam, why did they not ask Japan? Why did they not ask some other nation with more prestige and more military power than we have? Why come to us? "Oh," they say, "You have great experience in keeping peace all over the world." What is that experience? Have we kept peace in Cyprus?

We had a conflict between two NATO countries, and the only people who should have interfered with them was a NATO nation. There were two NATO countries at each other's throats. Who better to interfere with members of NATO than members of NATO? But they did not. So we have had troops for six years in Cyprus, at a cost of many, many millions of dollars—not a nickel paid by United Nations—and they are not coming home after six years, and perhaps they will not be home in six years more.

This is not the part this country should play. Our part is to try to do something for the gain and benefit of our own people. If we do that, if we can show the world we know how to govern our own country, how to improve the well-being of our own people—if we can set an example of that kind—we will be doing more for peace in the world than by sending so-called observers all over the universe to see how people are behaving.

[Hon. Mr. O'Leary.]

I do not believe these people will do good in Vietnam. I think it is beyond their capacity to do something good, and I think that we are merely ministering to our national vanity, to a small, parochial, chauvinistic vanity, by accepting these offers to send people here, there and everywhere in the world.

Honourable senators, I have spoken for too long—

Some Hon. Senators: No, no.

Hon. Mr. O'Leary: —and I have perhaps said more than I should have said, but I would be very sorry to have said less.

On motion of Senator Grosart, debate adjourned.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A) ADOPTED

The Senate resumed from Wednesday, February 7, the adjourned debate on the motion of Senator Grosart for the adoption of the Report of the Standing Senate Committee on National Finance on the Supplementary Estimates (A) laid before Parliament for the fiscal year ending the March 31, 1973.

Hon. Jacques Flynn: Honourable senators—

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: —you will be sorry to have applauded me, because I do not intend to speak long. Of course, I never do.

Some Hon. Senators: Oh, oh.

Hon. Mr. Flynn: When I moved the adjournment of this debate on February 7, I mentioned that I thought the report should not be adopted until some questions put by senators in committee had received answers. That was my main purpose in adjourning the debate. I find at this time that what I would like to say would be much more appropriate when we have the appropriation bill. The play on words is accidental.

The only comment that I will make, therefore, is that out of the nearly $1,300 million called for in the estimates, some 90 per cent, as was mentioned by the President of the Treasury Board, relates to relief of unemployment or the creation of jobs. In other words, this is a program which was initiated by the government after the election of October 30 and because of the result of that election.

We have first the Winter Works Fund of $350 million. As everyone knows, Mr. Trudeau's administration has always thought that winter works programs were not efficient. Now they find that such programs might be efficient. Out of this $350 million, of course, only about $60 million to $75 million can be spent during the present winter season. I doubt that even this amount will be spent. I intend to deal with some of the technical problems involved in this appropriation when we have the bill.

• (2040)

The next item is the advances to the Unemployment Insurance Commission of $454 million. We dealt with that to some extent when we passed the amendment to the Unemployment Insurance Act removing the $800 million

ceiling for advances by the Minister of Finance to the fund. So I need not go back over that.

Local initiatives and on-the-job training involves $304 million. Well, the government had some doubts about this but again the results of the election convinced the government that they had to go on with these programs on an ad hoc basis, or daily basis. We will see what the result of that is when the time comes.

The rest of the items are less important.

My comments would be more properly directed to the bill and the fact that some of these programs should not be proceeded with through an appropriation bill. But since the committee was only dealing with the estimates, or supplementary estimates, it was only necessary for the committee to look at the substance of the items involved and the purposes that the government had in mind. I will leave the subject at this point because I think practically everything has been said that can be said about it. My remarks will be more relevant when the appropriation bill reaches us.

Hon. Allister Grosart: Honourable senators, in my capacity as Deputy Chairman of the National Finance Committee, I moved the adoption of this report on Wednesday, February 7. The report contains reference to questions asked in committee that were answered by the minister and officials. Comment was subsequently made in this chamber about some other questions asked in committee, the answers to which were not forthcoming at that time. There was a good reason for that. Those were questions in depth and in detail which the officials were not in a position to answer. However, as I indicated on February 7, the officals undertook to provide the answers as soon as possible. If I may say so, although there has been a delay of almost a week, I want to compliment the officials on their effort in providing the answers.

I should like to read the questions to indicate the scope of the committee's inquiry under the chairmanship of Senator Everett. I do this because the Senate, to a great degree, relies on the work of the Finance Committee in examining the estimates. As a matter of fact, we do have a resolution which requires that the estimates go to the Finance Committee before the appropriation bill based on those estimates will be considered by the Senate.

Honourable senators have in the past indicated how important it is that the assessment of the estimates and supplementary estimates be thorough. For that reason I would ask that the replies that have now been provided by the Treasury Board, together with the questions, be printed as an appendix to today's *Hansard*.

Hon. Senators: Agreed.

Hon. Mr. Grosart: The Senate having consented to this, I should now like to read the questions to demonstrate the probing that goes on in that committee. The questions were asked by Senators Argue, Carter and Phillips, all of whom have received copies of the answers. They are as follows:

QUESTION: What is the maximum payment per farmer?

QUESTION: For the grants to compensate commercial Atlantic Salmon fishermen for loss of income resulting from closure of the fishery, what is the breakdown by province of how these grants will be distributed?

QUESTION: Are the balance of farmers claiming grants for crop losses due to adverse weather being held up in proving a 60 per cent loss for the year?

QUESTION: Are farmers not eligible to apply under the $1.6 million program of contributions for the cost of transportation of fodder and silage until May of this year?

QUESTION: What form of proof of purchases must farmers present when applying under the $1.6 million program of contributions for the cost of transportation of fodder and silage?

QUESTION: With respect to the grants to compensate commercial Atlantic salmon fishermen for loss of income resulting from closure of the fishery, what percentage of the fishermen have received payments?

QUESTION: Have all the provinces signed agreements to participate in the Winter Capital Projects Fund Program?

QUESTION: What percentage of the $350 million in the Winter Capital Projects Fund Program is it estimated will be forgiven?

QUESTION: If one province does not assume its full share of allotment of the Winter Capital Projects Fund, how then can this be allotted to another province?

QUESTION: Under what terms and conditions are the grain hopper cars leased to the railways?

QUESTION: Have there been any changes in the conditions or regulations for approval of Local Initiative projects this year as opposed to last year?

QUESTION: What percentage of Local Initiatives Programs have been rejected by the provinces?

QUESTION: What form of auditing is being used for LIP projects this year?

QUESTION: Are the rates of training and travelling allowances for the adult occupational training the same all across Canada?

QUESTION: How are the directors appointed for the Metropolitan Area Growth Investments Limited?

QUESTION: Concerning the loan to the Northern Transportation Company Limited for the purchase of a number of barges: 1. Were tenders called for the barges in question? 2. Were they built in Canada, using Canadian materials?

QUESTION: What percentage of the supplementary estimates for each pilotage authority was accounted for by contracts concluded by legal advisers?

Honourable senators, those questions, and the answers, by consent of the Senate, will appear as an appendix in today's *Hansard*.

(For text of questions and answers see Appendix, pp. 235-237.)

Report adopted.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Tuesday, February 6, the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Chesley W. Carter: Honourable senators, in the absence of Senator Fournier (Madawaska-Restigouche), who adjourned this debate, may I have leave to resume it in his place.

The Hon. the Speaker: Is it agreed, honourable senators, that Senator Carter speak in place of Senator Fournier?

Hon. Senators: Agreed.

Hon. Mr. Carter: Honourable senators, transportation has an impact, a very serious impact, on the life of every Canadian in every part of Canada. Senator Cameron is, therefore, to be highly commended for bringing this resolution before us at this time because it enables the Senate to debate, and focus attention on, a matter of great public importance to all Canadians. This enables the Senate to perform a natural function, and at the same time render a service to the nation.

As Senator Cameron has pointed out, transportation controls the mobility of every Canadian and, therefore, his opportunity of seeing other parts of his country, and of getting to know and understand better the lives, problems and contributions of fellow Canadians of different backgrounds and traditions, living in different parts of this vast land of ours—the third largest in the world. Thus transportation is in a very real sense linked up with national unity.

• (2050)

It also influences the cost of everything the Canadian needs for his personal comfort and well-being, and therefore it affects both his standard of living and the general prosperity of the area in which he lives. Nowhere is this more true than in my own province of Newfoundland and Labrador.

From the very beginning the whole vision and promise of the benefits of Confederation have centered on transportation. In 1867 the Maritime provinces were relatively more prosperous than Upper and Lower Canada, because they controlled their own economies and particularly their transportation links with the world at large, especially with their great markets to the south. One of the inducements, perhaps the deciding factor, which caused them to join with Quebec and Ontario to form the Dominion of Canada was the promise of a railway to provide access for Maritime products to the markets of Central Canada.

Students of Canadian history know that years passed—ten years I believe—before any attempt was made to keep that promise, and then the route chosen for that railway was selected on the basis of military needs rather than the requirements of Maritime trade and commerce. As a result, the Maritime provinces became captive markets, economic colonies, of central Canada and have remained so ever since. They merely exchanged one form of colonialism for a worse one.

Some attempts have been made to remedy the situation by subsidies and maritime freight rate differentials, but these have never worked because the rate structures are based on wrong concepts of industrial strategy which have concentrated industry and population in central Canada at the expense of the other parts of Canada, in both the east and the west.

The railways east of Quebec built for military rather than for commercial purposes were never economically viable and as they went bankrupt, one by one, they were taken over or incorporated into the CNR system, and to the extent that the CNR is burdened with the debt structure of those old defunct railways, the Maritime provinces and Newfoundland are still suffering the consequences.

In the West the story is very similar. British Columbia was promised a railway connection with Central Canada as one of the terms of union. It was only when British Columbia threatened to secede some ten years later that action was taken on this promise but, when completed, the transcontinental railway system became the main physical instrument of connecting all the provinces of Canada and binding them together as a nation.

At the same time, because of a wrong industrial strategy to which I have referred, it also became a source of tension and division because it diverted the flow of trade from its natural north and south direction to an unnatural east and west direction, and the Western provinces, like those of the Maritimes, were transformed into economic colonies of Central Canada.

These stresses and strains led to a general discontent which seems to have come to a head in Western Canada, so much so that the question being asked most often today is not, "What does Quebec want?" but, "What does the West want?"

The answer has not been long in coming. It has been given most often and most eloquently on a number of occasions by Izzy Asper, leader of the Liberal Party in Manitoba. In positive terms they simply want economic justice. They want to be equal partners in Confederation instead of being economic colonies of Central Canada. And that, honourable senators, is exactly what the Maritime provinces and Newfoundland also want.

Our complaints and our grievances are identical with those of Western Canada and are equally valid. They do not want freight rates heavily biased in favour of Central Canada—neither do we. They do not want to pay up to $200 more for a Canadian-made car than a person living in Toronto has to pay. They do not want to pay $100 more for a colour television set made in Canada than a similar set would cost in the United States simply because of tariff protection of Central Canadian industry—neither do we in the Maritimes and Newfoundland.

They no longer want to suffer the economic handicaps and discrimination of banking and financial institutions centralized in Toronto and Montreal—neither do we. The figures speak for themselves. The Bank of Canada *Review* for November 1972 shows that in the second quarter—that is, the summer quarter—of 1972 the country's chartered banks loaned $583 million to business in

Quebec; $849 million to business in Ontario. In Manitoba they loaned only $103 million; in Saskatchewan even less—only $80 million; in Nova Scotia, $74 million; in New Brunswick, $54 million; and in Newfoundland, only $27 million.

The Western provinces are voicing their grievances—they are coming in loud and clear—and the Maritime provinces must do the same. Ottawa is listening. Already the Prime Minister has held one conference with the Western leaders, and it is understood that more are to follow.

It would seem then that this is the time for the Eastern premiers and party leaders to request a similar conference with the Prime Minister to make known our problems and grievances. The Western provinces are quite rightly sick and tired of getting the short end of the stick, and so are we. They are kicking up their heels a bit and making a noise, and they are being heard. The Maritime provinces and Newfoundland should follow their example, and do it now while the iron is hot—otherwise we could very well end up with an even shorter piece of the stick than we have had in the past.

Honourable senators, what I have said so far is by way of background. Other senators better qualified than I can elaborate on the transportation problems of Nova Scotia, New Brunswick and Prince Edward Island. My main purpose this evening is to put before you the situation in my own province, Newfoundland and Labrador.

All the handicaps and disadvantages of our present transportation policy and transportation system that exist in the three Maritime provinces apply to a much greater degree in Newfoundland and Labrador. There are three simple reasons for this. The first is that we are geographically some 650 miles farther east at the very end of the railway system. The second reason is because the Newfoundland part of our province is an island, and there has to be a sea connection between the eastern CNR terminal in Nova Scotia and the western terminal in Newfoundland. This necessitates extra handling and delay.

• (2100)

The third reason is because the huge area of Labrador, comprising some 110,000 square miles, has no rail or road connection with the rest of the province. Sea connection with coastal Labrador is limited to approximately five and a half months, from early June to late November. During the rest of the year the shore is blocked with ice. Consequently the people of Labrador are heavily dependent on air traffic which adds greatly to their cost of living.

Prior to becoming part of Canada, Newfoundland as a completely self-governing country had access to world markets. Our flour and dairy products came mostly from Canada. Our salt beef and pork came mainly from the United States, and manufactured goods and other products came mainly from Europe, except electrical appliances which were imported from the United States. These goods were brought by ship to St. John's, the main distributing centre for the province. From St. John's the bulk of these goods was distributed to outlying coastal communities by smaller boats—some owned privately, others owned by the railway system—leaving only the inland towns to be served by rail. Transportation costs were relatively cheap, but prices were high because the Newfoundland government was so heavily dependent on customs tariffs as a source of revenue.

When Newfoundland joined Canada, one of the anticipated blessings was a reduction in the cost of living, and there was great disappointment when this failed to materialize. There were three reasons for this.

In the first place, instead of being able to purchase freely in the world markets as heretofore, Canadian tariffs compelled us to become a captive market of Central Canada. Everything that formerly was brought from the four corners of the earth by sea now came from Ontario and Quebec by rail to North Sydney in Nova Scotia. There it was unloaded from rail cars and put in the holds of ships to be taken 90 miles across the Cabot Strait to Port aux Basques in Newfoundland, where it was taken out of the ships and placed in sheds. Those goods were then taken from the sheds and loaded into narrow gauge rail cars to be hauled 547 miles across Newfoundland to St. John's or Argentia, where once again they were taken out of the rail cars and put into sheds from which they were loaded into the holds of coastal boats for distribution along the coast of Newfoundland and Labrador.

The second reason was that the CNR system itself proved to be totally inadequate to handle the volume of goods formerly brought in by sea and now coming from Central Canada by rail. Consequently, there were long delays in getting those goods to the Nova Scotia terminal at North Sydney, and huge backlogs piled up there because there were not sufficient ships to transport the goods to the terminal at Port aux Basques. The delays ran into weeks and even into months, particularly during the spring when the Cabot Strait is blocked with ice.

The third reason was because the Newfoundland railway system which was meant only to serve the inland communities, and which had been practically worn out carrying war supplies now proved totally inadequate for carrying the extra burden of goods coming from mainland Canada for the coastal communities. Consequently, huge backlogs piled up in the sheds at both Port aux Basques and St. John's, as well as at North Sydney. Because of all the handling involved, a large proportion of goods became lost, stolen or damaged.

Due to tariff protection, the initial purchase prices in Central Canada were some 30 to 40 per cent higher than world market prices. When we add to this the high CNR freight tariffs, the costly delays and the extra cost of lost and damaged goods, it is easy to understand why our cost of living went up instead of down when Newfoundland became a part of Canada.

This is a very serious handicap because while we are compelled to buy 90 per cent of our requirements from Ontario and Quebec, they purchase next to nothing from us. The bulk of Newfoundland products—fish, paper, pulp, minerals—are all sold outside Canada. Like those of the Western provinces, our products too have to compete in the world market and the high cost of living is part of our cost of production.

The increase in our cost of living, forced upon us by an inadequate transportation policy, together with tariff policies and a freight rates policy geared to the requirements of Central Canada, makes it that much more difficult for

us to meet world competition. In fact, we can do so only by taking a proportionately lower margin of profit on our products which, in turn, means lower wages, a lower standard of living, and in some cases higher welfare.

It would not be fair to create the impression that no attempt has been made to remedy this situation. As far as freight is concerned, much has been done. The roadbed and rails in Newfoundland have been upgraded and improved. More freight cars have been provided. Diesel engines have replaced steam. Additional boats have been provided to ferry goods from North Sydney to Port aux Basques. These include rail ferries carrying wide gauge cars and containers which are transferred to narrow gauge trolleys at Port aux Basques. But still it has not been sufficient to keep pace with the growth in volume. Backlogs still pile up at North Sydney and long, costly delays still persist while freight rates keep going still higher and higher.

Once, when I was a member of the Railway Committee of the House of Commons, I remember asking the late Donald Gordon, then the CNR president, why the charge for moving a certain commodity in Ontario was so much lower than the charge for moving the same commodity the same distance in the Maritime provinces. His reply was simple. The railway in Ontario had to meet competition from the truckers. Ontario at that time had a fairly extensive network of very good roads. Competition from truckers was considerable, particularly in those high priced, low volume items which are considered the cream of the freight traffic. In the Maritimes at that time there was no network of good quality roads, and truck competition was negligible, consequently the freight rates were higher. As the Scripture says, "To them that hath shall be given."

While still dealing with freight, a word must be said about the CNR express service. Time was when a parcel was shipped express, you could count on receiving it rather quickly. Today the express service exists in name only. You can still ship a parcel by express. You are still charged express rates, but that parcel travels by freight and it may be in the shed a day or two before anyone takes the trouble to ship it at all. It may also arrive two or three days before anyone gets around to notifying you about it.

• (2110)

Last summer a parcel that I needed very urgently was shipped to me at Halifax from Port aux Basques. It took a month to arrive. I found that this is not an isolated case. It is regular practice. Naturally I expected to receive that parcel within a week at most. I found it took a week to get from Port aux Basques to North Sydney—a six-hour crossing—and three weeks from North Sydney to Halifax. The express agent at Halifax was completely unconcerned about it, and regarded the service as normal. The CNR express service as it operates today is completely dishonest. It amounts to obtaining money under false pretences.

With respect to rail passengers, although more and larger ships including car ferries have been placed on the Cabot Strait service, and the frequency of crossings has been increased, there are still not enough to cope with the demand, particularly during the tourist season. Last year

reservations for cars and berths were abandoned, and passengers were treated on the first-come first-served basis.

Within the province, the rail passenger service was continuously downgraded, and finally abandoned altogether and replaced by a bus service. Now, it must be said that the bus service is quicker. The bus leaves Port aux Basques at 8.00 a.m. and gets you to St. John's at 10.00 p.m. the same day—that is in the summertime. In winter it is a different story. In winter buses have gone off the roads and stuck in snowdrifts for hours, sometimes being completely lost without anybody knowing where they were. It is a miracle that as yet no lives have been lost. There have already been some very near misses. When one considers that the Trans-Canada Highway between Port aux Basques and St. John's was built only to minimal standards, and that motorcar registration has increased from 94,600 in 1965, when the highway was completed, to 144,627 last year, it is understandable that the probability of serious accidents will increase every year from congestion alone. To these figures must be added the tourist cars and trailers coming into the province, which have increased from 14,051 in 1965 to 44,568 in 1972, so that total motor vehicle traffic has increased over 80 per cent since the Newfoundland highway was completed.

However, apart from the safety factor, there is the question of comfort. I travelled on the CN bus once from Port aux Basques to St. John's. I would never do it again. The problems of women with very small children, the hardships imposed on the young, the sick and the aged are indescribable. For short distances of 100 to 150 miles, it is perhaps tolerable. For long distances of over 600 miles, over Newfoundland roads and under winter conditions, it is not only intolerable but unjustifiable in terms of dollars saved. To save dollars at the expense of human safety, suffering and misery, is in my opinion immoral, but that is not all. The substitution of buses for passenger rail cars has relegated Newfoundlanders to the status of second-class citizens.

Apart from buses, the CNR operates small passenger ships between communities located on the Newfoundland and Labrador coastlines. Hardly any of the Labrador coastal communities are connected by road, and during the shipping season these fishing settlements are completely dependent upon the coastal service for freight and transportation. The frequency of this service still leaves very much to be desired.

On the island of Newfoundland, as more outports are linked up by road, the CNR coastal service is withdrawn. During winter and spring, when these roads are impassable, those communities are as isolated as they were 50 years ago. In recent years, as Canadian National coastal boats grow old and are taken out of service, they have not been replaced. It is easy to see that the CNR plans to abandon the service altogether as soon as possible.

The coastal ships now in service, built around 15 years ago, though a little faster are much smaller than those they replaced. The result is terrible congestion. Last summer I planned to visit a part of my old riding, Burin-Burgeo, which is still accessible only by sea. I tried to make reservations but could not. I boarded the ship at a

terminal half way along the coast, and not only was it impossible to get a berth or a place to lie down and rest but it was impossible to find a place even to sit down.

In 1949, when I was first elected, Newfoundlanders forced to travel on coastal boats were treated like cattle. I have personally seen old ladies sitting out on the open deck on their suitcases exposed to the wind, snow and rain and the salt spray because every sheltered place on the ship was occupied.

I have seen these same old people, some of them sick, manhandled down over the side of the ship to a small tender to be rowed in the worst kind of weather to a cove where they had to clamber up over the rocks to get ashore. I have seen the same old people landed on the ice, and forced to travel miles in a howling snowstorm to get to their homes. That was over 20 years ago. Today, except that the ships are a little more modern, there is not a great deal of difference.

Honourable senators, it is easy to point the finger at the Canadian National Railway for this sorry state of affairs, but the real blame rests with the federal government. Ownership of the Newfoundland railway service and the Newfoundland coastal service is not vested in the CNR but in the Canadian government. The CNR is only the operating agent. If the Government of Canada wants to provide a better transportation service for Newfoundland, all they have to do is to order the CNR to do it, and provide the money to purchase the necessary equipment.

Air Canada service to and from Newfoundland is not too bad, but still below the standards provided to other provinces. In recent years there has seemed to be a general deterioration of Air Canada service all across Canada. Schedules are unreliable, meals are not as good as they used to be, and stewardesses seem to be more preoccupied with selling booze than with feeding and looking after the comfort of the passengers.

Last December my wife and I travelled from Ottawa via Toronto to Los Angeles and back by Air Canada. I wish I had time to describe our in-flight experiences on that trip, our connections at Toronto, and the confusion of trying to find our baggage and getting through customs on our return. It is unbelievable. I do not know whether a new airport is really needed at Pickering, but certainly something needs to be done to improve the situation at Malton.

• (2120)

So much for the problems. What about the solutions? Solutions are long-term propositions. They cannot be worked out overnight. In the meantime, short-term remedies must be replied.

With respect to freight transportation in Newfoundland, our most immediate needs are two more large rail car ferries for the Cabot Strait, and at least two more heavy icebreakers. More icebreaker service must be provided even if a user fee has to be charged. At present we have three large cargo ships stuck in the ice in Labrador harbours, and they will have to stay there all winter as it is impossible to get them out until the ice breaks up in May or June.

We need also a fast air freight service to take our fresh fish to mainland markets on a daily schedule at reasonable rates. We have proved that the markets are there. Special air transportation is required to exploit them.

With respect to passengers, we need immediately more car ferries on the Cabot Strait, and much more passenger accommodation on those ferries. For winter travelling in Newfoundland, a much improved rail passenger service should be reinstated. Plans should be made to extend the rail passenger service on a year-round basis.

Even if the bus service is to be operated only during the summer months, for the sake of safety a new Trans-Canada Highway, double the width of the present one, is needed, and, for the sake of comfort, new and much more comfortable buses than heretofore. For the coastal service, we need several more ships with a vastly increased number of staterooms, berths, and other types of passenger accommodation.

Hon. Mr. Deschatelets: Would the honourable senator repeat his proposal regarding road transportation? Did he suggest that there should be another Trans-Canada Highway in his province?

Hon. Mr. Carter: The present one will have to be doubled in width to accommodate the traffic, which has almost doubled since it was completed.

Hon. Mr. Côté: Everywhere?

Hon. Mr. Carter: Across the island, yes. I do not know what the honourable senator means by "everywhere." There is only one highway, that connects one end of the island to the other. One cannot get from one end of the island to the other without using that highway.

For the long term—

Hon. Mr. Rowe: The honourable senator mentioned upgrading the bus service. Does not the solution lie rather in the rebuilding of the railway bed on a wide gauge basis and the restoration of a railway passenger service? I wonder if he would give his opinion on that.

Hon. Mr. Carter: I am coming to that. Whatever is done to the rail bed, the Trans-Canada Highway has to be improved and widened.

For the long term, not only is a new type of policy required, but that policy must be based on a new and different philosophy—the philosophy of equal opportunity for all Canadians as set forth in the Throne Speech. Equal opportunity for all Canadians includes equal economic opportunity, and in terms of transportation policy that means equalization of freight rates.

This new principle will have to be applied within a framework which takes into account certain limitations imposed by the need to conserve land and energy, to minimize pollution, and to utilize the benefits of new technology. No longer can we afford, with reckless abandon, to cover up good productive land with tarmac for airplanes, with asphalt for highways and parking, as we have done in the past. The diesel engine may have to be greatly modified or even replaced because of its high pollution characteristics. More emphasis will have to be placed on rail transportation for both goods and people; first, because it is the most economical means of transportation and, secondly, it is necessary in order to minimize the use of airports for inter-city travel. As Senator Cameron pointed out last Tuesday, the technology for moving

large numbers of people safely, rapidly and comfortably by rail is already available and in use in some countries at present. Hovercraft and other air cushion vehicles may be used to transport passengers and cargo in certain areas, particularly in the North.

The different means of transportation—railways, airlines, trucks, buses, et cetera—will have to be integrated into a coherent whole, so that each can make the greatest contribution to the maximum efficiency of the other, and at the same time contribute to the most efficient use of the St. Lawrence Seaway. The new system should be designed so that the seaway and rail systems contribute to the development of our northern ports such as Port Churchill, and of transshipment ports such as Bay D'Espoir and Mortier Bay in Newfoundland.

Conflict of jurisdiction may arise between the provinces and the federal government concerning trucks and buses, but it should be possible to iron those out to the benefit of all. Certainly the federal government must take the lead in providing communication links with the more isolated parts of Canada, particularly our northern regions.

Within that broad framework the provinces will have to develop their own integrated transportation policies inside their own boundaries. In Newfoundland we started out with a railway and coastal service designed for an era when St. John's was the main distributing centre for the whole province, when 90 per cent of our products came from overseas to St. John's by sea, and the bulk of our products were shipped out the same way. During the past 23 years we have tried to adapt that system to meet a completely reversed situation in which 90 per cent of our imports come from Central Canada over the CNR system. It has not worked. For the future we need a completely new transportation system designed to meet these new conditions, and designed also to minimize hauling time and distance by bringing freight and passengers to a central point for distribution.

We need a completely new wide-gauge rail system and the reinstatement of rail passenger service. The present Trans-Canada Highway needs to be widened or twinned to double its present width, and we urgently need some kind of all-weather surface transportation to link Labrador with the island part of our province. This means crossing the Strait of Belle Isle by bridge, tunnel, or some other means such as air cushion vehicles.

The coastal service, too, needs to be greatly improved with larger ships or hovercraft. In addition, our airports need to be greatly enlarged and improved so that Air Canada's service can be upgraded. At present we have no all-weather landing systems and no covered walks between planes and terminals. Small airports are also needed at strategic places so that local airlines can develop, with Air Canada becoming the main trunk line.

However, with all these improvements, unless freight rates are equalized our economic growth will remain terribly handicapped and equal opportunity for all Canadians will become an empty hollow phrase.

On motion of Senator Cameron, for Senator Argue, debate adjourned.

THE SENATE

NEED FOR REFORM—INQUIRY STANDS

On the Inquiry of the Honourable Senator Croll:

That he will call the attention of the Senate to the urgent public need in Canada for Senate reform now.

Hon. David A. Croll: Honourable senators, if I may beg your indulgence, I have had any number of senators ask me during the day if I intended to go on this evening with this inquiry standing in my name, and I have said no. However, I think that is not a good enough answer. Debate on Senate reform is a serious matter because the Senate is assessing the Senate. I think it is the first time we have ever attempted to do that. It needs the attention and concern not only of the public but of the Senate also.

With the budget being presented on Tuesday next and the debate on it lasting for a week, and the devaluation of the dollar and all the implications arising out of that, I feel that my timing is not very good. In view of that I thought I would put the inquiry off for a week, but, in effect, I do not think it will be proceeded with until February 27.

Inquiry stands.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 229.*)

THE ESTIMATES

1972-73 SUPPLEMENTARY ESTIMATE (A)—REPLIES TO QUESTIONS ASKED OF TREASURY BOARD REPRESENTATIVES AT THE MEETING OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE, FEBRUARY 6, 1973

SENATOR ARGUE—concerning Vote 15a for the Department of Agriculture.

QUESTION: What is the maximum payment per farmer?

REPLY: The maximum grant is $400 to farmers in designated areas that have experienced crop losses due to adverse weather. This is the same maximum as applied to other provinces under similar conditions.

SENATOR CARTER—concerning Vote 20a for the Department of the Environment.

QUESTION: For the grants to compensate commercial Atlantic Salmon fishermen for loss of income resulting from closure of the fishery, what is the breakdown by province of how these grants will be distributed?

REPLY: The full 1972-73 program for commercial Atlantic Salmon fishermen provides approximately $2.9 million. Of this amount, $1.3 million consists of grants to compensate for loss of income and $1.6 million is for the purchase of gear, vessels, etc., which are no longer of use to the fishermen. Expenditures to date under the full program break down by province on a percentage basis as follows:

New Brunswick	66.4%
Quebec	18.3%
Newfoundland	14.4%
Nova Scotia	.9%

SENATOR PHILLIPS—concerning Vote 15a for the Department of Agriculture.

QUESTION: Are the balance of farmers claiming grants for crop losses due to adverse weather being held up in proving a 60% loss for the year?

REPLY: To determine "designated areas" for crop loss assistance, the criterion used was that, for the area, 1972 crops were 60% or less of normal crops. Designated areas have been determined, using this criterion. To make an application, a farmer within a designated area must receive over 50% of his normal income from agriculture.

QUESTION: Are farmers not eligible to apply under the $1.6 million program of contributions for the cost of transportation of fodder and silage until May of this year?

REPLY: Applications may be received with respect to:

1. Silage and hay delivered between July 1, 1972 and May 1, 1973;

2. Roughage delivered between August 24, 1972 and May 1, 1973.

Applications may be made as transportation costs are incurred. Some payments already have been made.

QUESTION: What form of proof of purchases must farmers present when applying under the $1.6 million program of contributions for the cost of transportation of fodder and silage?

REPLY: Farmers must produce original copies of bills of sale or invoices and receipts of purchases indicating name and address of seller, location of farm, number of tons, the mileage and date moved to the purchaser's farm, and a bill of lading if transported by a commercial carrier. The farmer is required to complete an application form, which must be countersigned by the Agriculture representative in the area.

SENATOR PHILLIPS—concerning Vote 20a for the Department of the Environment.

QUESTION: With respect to the grants to compensate commercial Atlantic Salmon fishermen for loss of income resulting from closure of the fishery, what percentage of fishermen have received payments?

REPLY: Virtually 100% of the fishermen claiming compensation for losses arising out of the closure of the Atlantic Salmon fishery have received at least partial payments.

SENATOR PHILLIPS—concerning Vote L12a for the Department of Finance.

QUESTION: Have all the provinces signed agreements to participate in the Winter Capital Projects Fund Program?

REPLY: No agreements have yet been signed, although five provinces have indicated official acceptance of the proposal (Nfld., N.S., N.B., P.E.I. and Quebec) and all provinces are expected to participate.

QUESTION: What percentage of the $350 million in the Winter Capital Projects Fund Program is it estimated will be forgiven?

REPLY: It is estimated that $120 million of the $350 million will be forgiven.

QUESTION: If one province does not assume its full share or allotment of the Winter Capital Projects Fund, how then can this be allotted to another province?

REPLY: Provinces must declare their intent to the Minister of Finance. If one province does not assume its full share or allotment of the Winter Capital Projects Fund, the Minister of Finance could reallocate the unused portion to another province at his discretion, based on need, employment rate, demand etc.

25862—16½

SENATOR PHILLIPS—concerning Vote 30a for the Department of Industry, Trade and Commerce.

QUESTION: Under what terms and conditions are the grain hopper cars leased to the railways?

REPLY: The cars are operating under an interim agreement while final terms and conditions are being worked out with the railways.

SENATOR PHILLIPS—concerning Votes 5a and 10a for the Department of Manpower and Immigration.

QUESTION: Have there been any changes in the conditions or regulations for approval of Local Initiative programs this year as opposed to last year?

REPLY: The changes in regulations from last year are as follows:

1. Hiring must be done through referrals of local Canada Manpower Centres and preference must be given to persons on unemployment insurance or other social assistance.

2. In the assessment of projects, higher priority is being given to services to communities rather than task oriented services such as public works.

3. All projects affecting other social costs such as funding from provinces would not be approved without clearance by the provinces.

QUESTION: What percentage of Local Initiative programs have been rejected by the provinces?

REPLY: The responsible department advises that the coordinator appointed by each province will review all projects approved by the Department of Manpower and Immigration in the province. The provincial coordinator may register objections with the LIP coordinator. However, final approval or rejection rests with the Minister of Manpower and Immigration, and it therefore is not possible to determine which projects were rejected because of objections raised by the provinces.

QUESTION: What form of auditing is being used for LIP projects this year?

REPLY: The auditing process for LIP is in three phases this year:

Phase 1—Visit to each project, except municipal undertakings, to determine if the financial records are in good order.

Phase 2—Interim audit of selected projects. Any projects which were questionable in Phase 1 will receive the interim audit.

Phase 3—Final audit of selected projects. The selection process will involve three parts:

a) All projects over a certain dollar amount will be audited. The dollar figure has not yet been specified.

b) As a result of the interim audits, questionable projects will be reviewed.

c) Additional projects will be selected on a sample basis.

QUESTION: Are the rates of training and travelling allowances for the adult occupational training the same all across Canada?

REPLY: There are two categories of allowances:

1. Basic allowance—This category of allowance relates to a payment to housewives and young people who are being fully supported, but who would incur additional costs related to training. The minimum allowance for this class of expenditure is $30 per week. It was introduced in July, 1972 as a result of an amendment to the Adult Occupational Training Act. This type of allowance permitted the Department of Manpower and Immigration to train dependent adults, whereas previously they were not included in the program.

2. Regular allowance—For the normal adult who is dependent on his own means, the regular allowance will apply. These allowances will have increased because of a requirement in the act that the regular allowance rate minimum and maximum adjust annually in relation to the change in the average wages in manufacturing for the past year. The minimum would generally relate to single persons with no dependents. Between the minimum and the maximum, changes are a matter of departmental policy but adjustments are made in much the same manner.

The basic allowance of $30 per week and the minimum level of the regular allowance are the same across Canada. There are minor variations across Canada in allowances related to dependents.

Because travelling allowances are based on costs incurred, there would be an escalation factor related to the rise in costs of these services. Therefore there would have been some increase in travelling allowances, but the application is standard across Canada.

SENATOR PHILLIPS—concerning Votes L31a and L32a for the Department of Regional Economic Expansion.

QUESTION: How are the directors appointed for the Metropolitan Area Growth Investments Limited?

REPLY: Seven directors will be appointed, four by the Minister of Development of Nova Scotia and two by the Minister of Regional Economic Expansion. The seventh will be appointed jointly by the Minister of Development of Nova Scotia and by the Minister of Regional Economic Expansion. Upon their recommendation the seventh director will become President of the Corporation and Chairman of the Board. Upon the constitution of the Board, the Directors become independent of the respective Ministers and assume a relation comparable to that of Directors to shareholders. The shares are divided in the following way: 14,999 to Nova Scotia, 5,001 to the federal government.

SENATOR PHILLIPS—concerning Vote L110a for the Department of Transport.

QUESTION: Concerning the loan to the Northern Transportation Company Limited for the purchase of a number of barges:

1. Were tenders called for the barges in question?

2. Were they built in Canada, using Canadian materials?

REPLY: Tenders have been called for the construction of the barges, to be built in Canada using Canadian materials.

SENATOR PHILLIPS—concerning Votes 65a, 85a, 90a and 115a for the Department of Transport.

QUESTION: What percentage of the supplementary estimates for each pilotage authority was accounted for by contracts concluded with legal advisers?

REPLY: The Minister of Transport advises that these supplementary estimates were requested to cover the operating cash shortfall during the month of January, 1973. Cash payment to legal advisers for the same period, as a percentage of the supplementary funds, were:

Atlantic Pilotage Authority	1.0%
Laurentian Pilotage Authority	4.4%
Pacific Pilotage Authority	6.1%
Great Lakes Pilotage Authority Ltd.	NIL

THE SENATE

Wednesday, February 14, 1973

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

Prayers.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH THE EXPANDED EUROPEAN COMMUNITIES

Hon. John B. Aird, with leave of the Senate and notwithstanding rule 45(1)(e), moved:

> That the Standing Senate Committee on Foreign Affairs be authorized to examine and report upon Canadian relations with the expanded European Communities.
>
> That the said committee be empowered to engage the services of such counsel and technical, clerical and other personnel as may be required for the foregoing purposes, at such rates of remuneration and reimbursement as the committee may determine, and to compensate witnesses by reimbursement of travelling and living expenses, if required, in such amount as the committee may determine; and
>
> That the papers and evidence received and taken on the said subject in the preceding session be referred to the committee.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(e), it is moved by Honourable Senator Aird, seconded by Honourable Senator Molgat, that the Standing Senate Committee on Foreign Affairs—

Hon. Senators: Dispense.

Hon. Mr. Walker: Explain.

Hon. Mr. Aird: Honourable senators, in presenting this motion for your consideration I would like to make several observations, and I will endeavour to be brief.

Firstly, we have witnessed in the past few days an attack on the American dollar and its subsequent 10 per cent devaluation. Tough trading measures are being rumoured in Washington to which Europe may well react defensively. Obviously, this type of trade confrontation between economic power blocs, which is so full of dangers for Canada, no longer is a remote possibility. I believe it is very much at hand.

Honourable senators, while it was important to us last year to undertake an examination of the expanded European Community, it is self-evident that it is even more important at the present time.

Secondly, preliminary trade figures for last year's performance showed a disturbing downward trend in relation to EEC trade. Canada had a deficit—and I would emphasize the word "deficit"—of $30 million with the original six EEC countries in 1972 as compared to a surplus of $169 million in 1971. This comes at a time when EEC trade with the rest of the world was expanding. Clearly we should examine more fully why Canada's trade balance with the EEC seems to be shrinking instead of growing.

Hon. Mr. Martin: May I ask Senator Aird if it is not a fact that in the last two years our trade with the Community has doubled as compared with the consequential shrinkage of our trade with the United Kingdom?

Hon. Mr. Aird: I would not be able to confirm that it has doubled, Senator Martin. What I am talking about is the net position. Certainly there is a relative factor as between the EEC and the United Kingdom, but I am not sure it is a doubling multiple.

My third point is that in the past year the Community has concluded important trade arrangements with a wide range of countries. This will undoubtedly adversely affect Canadian exports in the short as well as in the long term. Now, obviously there is no benefit to Canada in confrontation with Europe. Our attitude must be one of co-operation. Nevertheless, Canada must protect its own legitimate economic and trading interests and remind the Community of its responsibilities under GATT.

Perhaps most fundamental, and I would emphasize this, Canada must do all it can to ensure that the growth of this new large power bloc does not lead to its confrontation with the United States and Japan, with obviously disastrous results for Canada.

• (1410)

Honourable senators, I am glad to have had this opportunity to briefly outline some of the reasons why the Standing Senate Committee on Foreign Affairs wishes to continue its study of Canada's relations with the expanded European Economic Community. Our study of this subject was important enough last year, but current worldwide factors are so much in play between the constituent elements that go to make up the world trading situation that we in Canada must be very aware of and have a hard look at what is going on in the European Common Market. It is with these remarks that I commend this motion for your consideration.

Hon. Mr. Walker: Honourable senators, might I ask Senator Aird a question? We are, of course, delighted that you have done this, but, why was this not done by the government—I know it is not your responsibility—one or two years ago? When I was last at NATO and we went to see these Common Market people, and the other people in Brussels, they wanted to know then what was Canada doing about its association with the Common Market. Why is it left until now, when things have reached a serious impasse?

Hon. Mr. Aird: That question, perhaps, might be more properly directed to Senator Martin.

Hon. Mr. Walker: I know he will answer anyway.

Hon. Mr. Aird: I am not just sure which one of us would give a better answer. However, I would say in reply to your question that this will be a great opportunity for the Senate in its committee function. Governments do move

slowly. I assume that, as a former cabinet minister, you are well aware of that.

Hon. Mr. Flynn: Especially the present government.

Hon. Mr. Walker: Better late than never.

Hon. Mr. Aird: I do not wish to be too optimistic as to when the committee will complete its study, but I would like to have a target date of June. I would hope that we could give form and substance and, in effect, an agenda for government action. Hopefully, some degree of attention will be paid to the report. With respect to the committee's two previous reports on the Caribbean and on the Pacific Rim, I have expressed to this house, and others have agreed with me, some measure of disappointment at the Government's action on our various recommendations and advice. On the other hand, some things were done. Perhaps the developing bloc situation in the world today, while I do not like to say it is of crisis dimensions, will be self-evident and the necessity for action will be manifest.

Hon. Mr. Martin: Honourable senators, I do not wish to engage in a confrontation with my classmate of many years ago, Senator Walker.

Hon. Mr. Walker: I do not mind.

Hon. Mr. Martin: I do, because I would come out second best.

Hon. Mr. Flynn: We all know that.

Hon. Mr. Martin: I always know when to choose my opponents, but I should have thought—and I hope Senator Aird will not think that this is taking unfair advantage of him—that the reply he might well have made to Senator Walker was twofold. First of all, the motion that Senator Aird is making is a motion on behalf of a Senate committee and not on behalf of the government. Secondly, he could have pointed out—

Hon. Mr. Flynn: You are not suggesting he has not received your blessing?

Hon. Mr. Martin: —that he is engaged in a study which was begun over a year ago. So the Senate itself is not dealing with the problem of the Common Market for the first time. This is a study which Senator Aird, along with members of the committee, undertook to prosecute over a year ago. All he is doing now is seeking authority for the work of this committee to resume.

As he was told when the Secretary of State for External Affairs appeared before the committee—I think February a year ago—the government welcomes the study being made by the Senate into our relations with the Common Market.

Senator Aird was quite right in saying to Senator Walker, as a distinguished member of a former administration, that the government is concerned with Britain's proposal to join the Common Market; and he will remember the very vigorous discussions that the then Minister of Finance, his friend and my friend, Donald Fleming, and the then Minister of Trade and Commerce, Mr. Hees, had at Accra. As to the consequences of their outburst in Accra, I know that Senator Walker would not want to make any comment at this time, any more than I would. What was expressed at that time is undoubtedly in our minds today. We recognize that the entry of the United Kingdom into the Common Market is an important development for Britain, a development which in principle we approve. In the short term we may suffer as a result of Britain's entry, but in the long term the possibility of sharing in this large European market will give us an opportunity of balancing our interests there with our interests in our greatest market, that of the United States.

I had asked Senator Aird a question. I may have been wrong in saying the last two years, but from my recollection of the statistics, in 1971—and possibly 1972, but certainly in 1970 and 1971—our exports to the Common Market increased, if they did not double, and they increased on a much more accelerated scale than did our exports to the United Kingdom. So that while we have reasons for wanting to scrutinize our relations with the Common Market, we should not take an absolutely pessimistic view that the long-term value to us will not be a useful one.

In any event, I am sure we all agree that this study by Senator Aird's committee into our relations with the Common Market is a timely and important one. It is not being thought of for the first time today; it was thought of over a year ago.

Hon. Mr. O'Leary: May I ask a question of the government leader? He spoke about increased exports to the Common Market. Is he able to tell us what character of goods, what class of goods, we have been exporting to the Common Market?

Hon. Mr. Martin: We have increased our exports—

Hon. Mr. O'Leary: What class?

Hon. Mr. Martin: —of timber, some minerals—

Hon. Mr. O'Leary: Unfinished goods.

Hon. Mr. Martin: I don't know. They may be unfinished goods, but I cannot give the honourable senator particulars, except to say that I know we have increased our exports to the Common Market at a rate much greater than we thought would be the case three or four years ago.

Hon. Mr. O'Leary: They have been unfinished goods. It is they and not the United States that are making us hewers of wood and drawers of water.

• (1420)

Hon. Mr. Martin: Well, that is a generalization. It may or may not mean anything.

Hon. Mr. Argue: Senator Aird, in introducing this motion, spoke of a possible confrontation between large trading blocs and the kind of worldwide crisis that we are in today. It would seem to me that Canada may be in an exceedingly favourable position because of certain developments in the last few days. Our currency has gone down along with the currency of the United States, and if it remains at the same level as it is today, then, of course, we will get a very substantial increased advantage in the export markets.

Also, if the Japanese currency is floated, it seems to me, it will increase in value. This, too, should result in putting Canada in a still more favourable position. We can talk of crisis; we can talk of difficulties; we can talk of large trading blocs, but to me a strong prosperous European Economic Community—European Common Market—

means that Canada, with its dollar value as it is today, is likely to be in a more favourable position as events unfold.

Hon. Mr. Flynn: I should be interested to know if the Leader of the Government shares the view expressed by Senator Argue that this consequential devaluation of the Canadian dollar is a good thing. I recall hearing some speeches in 1962 by Senator Martin that would have been in disagreement with this philosophy.

Hon. Mr. Martin: If the Leader of the Opposition is interested in my discarded opinions, that is his privilege. However, I should like to read carefully what Senator Argue said before I comment on it.

Hon. Mr. Flynn: You have so many discarded opinions, we are liable to get lost if we try to compile and index them.

Hon. Mr. Martin: Let us not lose our tempers.

Hon. Mr. Walker: Honourable senators, with the greatest respect to our learned leader who talks about what a nice position we were in in 1971, it is my understanding that the reason for the urgency in proceeding with the deliberations of this committee, as given by Senator Aird, is that the position has materially depreciated and that we are in a very serious, adverse trade balance. Is that not correct, Senator Aird?

Hon. Mr. Aird: That is correct, Senator Walker. That was my second point. We have gone from a surplus to a deficit position.

Hon. Mr. Walker: Yes, exactly.

Hon. Mr. Martin: I understood that Senator Aird was simply moving for the resumption of this committee which was set up a year ago.

Hon. Mr. Aird: That is correct, Senator Martin.

Hon. Mr. Martin: Well, which is correct?

Hon. Mr. Flynn: May I suggest that Senator Aird be allowed to say something that does not please the Leader of the Government.

Hon. Mr. Walker: No matter how you spread it.

Hon. Mr. Aird: Honourable senators, without prolonging this debate I should like to reply briefly to Senator Argue with respect to the monetary situation and the immediate benefits that we have today.

It has quite obviously been reflected in our stock exchanges right across the board that in nearly every phase of industry there is a feeling of buoyancy, optimism, related to the devaluation of the American dollar. The point I was making is that in conjunction with the devaluation of the dollar is the position that I read in the newspaper, as enunciated by President Nixon, that he now feels that if Congress would pass the enabling legislation, tariffs would be considered for the benefit of the exporting sector of the United States economy. What I tried to say is that in the light of that circumstance the possibility of a tariff war, a trade war, is not a remote one. I believe that it may well be at hand.

Hon. Mr. Martin: Honourable senators—

[Hon. Mr. Argue.]

Hon. Mr. Flynn: Leave the record as it stands for once. You can study it and try to correct the situation on another occasion.

Hon. Mr. Martin: You must never lose your patience.

Hon. Mr. Flynn: I never lose my patience.

Motion agreed to.

POLYMER CORPORATION

INVESTMENTS IN SOUTH AFRICA—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, on January 23 Senator Forsey asked me certain questions regarding the sale of the Polymer Corporation. My reply is as follows: The federal government sold this corporation in July, 1972. It is now in the private sector. Details of its commercial transactions are kept confidential, but its annual report provides general information about its main acquisitions and dispositions during the year.

Hon. Mr. Flynn: That answer is so clear that it has not been prepared by you, I am sure.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Donald Cameron moved the second reading of Bill S-2, to amend the Criminal Code (control of weapons and firearms).

He said: Honourable senators, the rapid escalation of the annual death rate as a result of the use or misuse of firearms in this country and in the United States has given rise to an increasing clamour for governments to take some effective action to amend the Criminal Code in such a manner that greater controls can be placed on the availability, distribution and use of offensive weapons. The clamour has been given a new impetus by the fatal shooting of two police officers in the city of Toronto within a period of three weeks. Four were shot in one year in that city, and this is just one example of an alarming situation which is threatening to get out of control.

In bringing in Bill S-2, an act to amend the Criminal Code, dealing specifically with the control of weapons and firearms, I should say that there is nothing new or original in the bill. In order to save time and expense, I have simply reproduced, in its entirety, the bill that was given first reading in the other place on February 25, 1972, in the name of Warren Allmand, who is now Solicitor General.

It is my intention, if the bill receives second reading, to recommend that it go to the Standing Senate Committee on Legal and Constitutional Affairs, where a number of appropriate amendments can be made. I think the bill introduced in the other place was essentially a good bill, but in the light of another year's experience it can be tightened up in a number of respects.

Before dealing with the bill itself and the amendments which I think are necessary to give it effect, I should like to review briefly some of the information now available which underlines the importance of taking immediate and

effective action to bring guns under a greater measure of control. One has only to look at the papers in recent weeks, starting with the Windsor *Star* of Saturday, January 20, which had an editorial entitled "Firearms controls still need tightening"; to run through an editorial in the Calgary *Herald* of February 5, 1973, under the heading "Another policeman is shot"; to a story in the Calgary *Herald* of February 6 entitled "Gun laws under review", and a story in the Ottawa *Citizen* of last week which indicates that the anti-gun lobbyists are becoming active in Ottawa. The organization is called FARO (Firearms and Responsible Ownership) and the president, Mr. Bill Jones, has been actively interviewing members of Parliament with a view to inhibiting the passing of legislation which would be restrictive on the sale and distribution of guns. Mr. Jones quite openly admits that the label "lobby" applies, but he says it is not rabid or radical. Part of his statement on behalf of FARO, as set forth in its pamphlet, is as follows:

• (1430)

> Unless all firearms enthusiasts in Canada organize to counter demands for further restrictive firearm legislation, the shooting sports in all their facets may soon be legislated out of existence.

That statement is sheer nonsense. There is no intention on the part of anyone to legislate legitimate firearms out of existence. Mr. Jones says that FARO is a non-profit organization, having no links with the National Rifle Association of the United States. However, the gun lobby in the United States has been so blatantly powerful that it has succeeded in negativing almost all attempts at effective gun control in the United States. However, the clamour in the United States is on an increasing tempo as a result of the senseless slaughter that is increasing in that country every week and every year.

The need for firearms control legislation was dealt with in the Windsor *Star* editorial of January 20, 1972:

> The gun situation in Windsor is infinitely better than in Detroit, as is clear from even casual reading of the crime news. At the most, Canada's gun control laws need some tightening and a few additions. and there is every hope that these necessary changes are on the way.
>
> Two changes are obvious: a tightening of the restrictions on the sale of rifles and shotguns, and the elimination of the 'look-alike' toys made in exact imitation of real handguns.

Continuing, the editorial says:

> The philosophy of gun control should be that guns are a serious business and should not be made available to anyone who cannot show a serious and lawful purpose. To make guns available to criminals, the unstable, and the irresponsible is folly.
>
> Our present laws governing the sale and use of guns for hunting appear adequate, with the one exception that there is virtually no control over the sale of rifles and shotguns by retailers. The only requirement is that the purchaser be 16 years old. There is no registration of such weapons. Nor is a licence necessary, unless the owner wants to use the weapon for hunting, in which case he must take a course in use of the gun and buy a provincial hunting licence.
>
> The hunter, who has a legitimate claim to a rifle or shotgun, is thus subjected to stricter regulation than the person who buys a weapon for some other reason, perhaps not legitimate. The obvious answer is federal law covering the sale of rifles and shotguns, including a provision that a record be kept of both the weapon and the purchaser.
>
> A second change is the elimination of imitation handguns, both the pellet guns similar to a BB gun and the non-firing toy. Such imitations, close likenesses of the genuine gun, can be purchased easily, need not be registered, and can be carried at will. Their potential use in crime is obvious, and it is not difficult to see the bad psychological effects they could have on a young person. There seems to be no need for such imitation guns, and no reason why they should not be banned.

In a statement made by the Ontario Solicitor General, John Yaremko, as reported in the Calgary *Herald* of February 6, he said:

> Statistics indicate there are 200,000 registered handguns in Ontario. Rifles, shotguns, starters' pistols and gas-powered pellet pistols do not require registration.

One aspect of the current situation with respect to gun control which I think we must recognize as having a relationship to it is the rise of the drug culture with its tremendous demands for money. In the district in which I live hardly a week goes by but that homes are broken into and ransacked by people searching for money. These are usually people looking for money to buy drugs. I can speak with feeling here because my own home has been broken into five times in the last four years. It's bad enough to have one's home broken into and ransacked, but it's even more dangerous when these people acquire drugs and lose control of any senses that they might have had, and when cornered become very dangerous and irresponsible.

Related to the increase in crimes committed by people under the influence of drugs is the appalling situation which has developed in connection with the abuse of the parole system in Canada. Dangerous criminals are released on parole with all too little concern for the individual's past record and the possibility of this person's becoming a threat to society.

It must be a matter of concern to all Canadians to see that as a result of the increasingly permissive society we have let our sense of compassion completely run away with our commonsense. Some of the cases which have been reported in the last year or so—where criminals were either out on bail or out on parole and repeated in even more dastardly form the crimes for which they were originally sentenced—should give us all pause, and cause a re-examination of the administration of justice in this country. It seems to me that, as part of the breakdown of discipline and of morale in this increasingly permissive society, we have lost all sense of objectivity. In saying this I place a special blame on some school teachers and some university professors. There are sloppy, often dirty, untidy and scruffy-looking people teaching our children in a number of the schools, particularly in the universities.

It is no wonder that we have created a substantial number of young people in this generation who are scruffy, undisciplined and unproductive and who want to live off the earnings of hard-working and honest citizens.

One has only to think of the countless "pads" that have been established by 16- and 17-years olds in our larger cities where young people have left home and have been able to go on welfare and have taken up communal living of the very poorest type. Unfortunately, our legislative program and many of our legislators have wrong-headedly tried to encourage this kind of useless society. The other day there were about 100 young people from Montreal parading all afternoon in front of my office—they weren't parading in front of me particularly, of course—because they had been cut off welfare in Montreal. It is high time we curtailed the abuses, the flagrant abuses of the unemployment insurance legislation and of the welfare legislation. Of the thousands of hard-working, honest Canadians, there are many who would fit the Poverty Committee's description of the "working poor," and in many cases these working poor are earning less than the minimum wage, but are too proud and too honest to take advantage of the welfare legislation. And yet these are the people who are helping to support a large number of useless people who don't want to work.

I was very disappointed to hear the Prime Minister say in a broadcast some weeks ago that we need to take another look at the "work ethic," that maybe it is not as important as it was before. Certainly, I agree that in an age where people have increasing leisure there is not the same need for them to work the way they used to, but it is still unfair for some people to work to support able-bodied, young men and women who refuse to work.

One has only to go back through the pages of history to examine the incidence of the downfall of empires to see that the deterioration arose out of just the kind of irresponsible and undisciplined abuses which we see creeping into our society with increasing frequency every day.

• (1440)

In any comparison between gun law legislation in various countries and statistics on crime and murder, the United States is the obvious choice to use as a base. It may seem an anachronism that America has more gun laws than any other nation while at the same time it suffers the highest rates of violence due to firearms. On closer inspection, however, it is seen that many of the 20,000 state and local firearms regulations are obsolete, unenforced and unenforceable. Their provisions range from an almost total absence of control to fairly strict licencing requirements. This lack of uniformity hampers enforcement, even where there is a will to enforce.

The failure of the United States Congress to come to grips with the gun control problems in such areas as registration of firearms, the abolition of mail order services, the over-the-counter sales to incompetents, juveniles and the criminally insane, et cetera, has led to some alarming statistics of which only one or two need be recorded here. I quote 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 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 have been killed by guns in a so-called peace-loving society than were killed in all their wars from 1776 to Vietnam. For the year 1971, the statistics—and this is for the year 1971 only—are recorded as follows:

> Murders committed with guns, 11,300; Deaths from gun accidents, 2,400; Policemen killed by gunfire in line of duty, 120; Suicides by gunfire, 10,000; Accidentally wounded, 20,000; Aggravated assaults involving guns, 92,000; Persons robbed at gunpoint, 160,000.

An American's attachment to a gun was fostered by the peculiar history of his nation that began and flourished in the taming of a wilderness. The American frontier favoured the gun toter. The gun was necessary to kill game for food, to ward off predators, to protect the traveller from bandits, and to enforce primitive justice where established agencies of law and order were either weak or non-existent. The firearm was also an essential instrument of combat against the Western Indian tribes, and for many years the armed citizen-soldier was the country's first line of defence. It has been said that the Kentucky long rifle opened the frontier, the Winchester repeater won the West and the Colt revolver made men equal.

Out of the traditions of these "rough and ready" days evolved a "gun mystique," whereby many Americans today associate the image of man and boy and a gun with patriotism, self-reliance, courage, manly skills, family togetherness, defence of home and country and good sportsmanship. Pressure for stronger gun control measures strikes them as an attack on many of the admirable qualities found in the American way of life.

This kind of "gun mystique"—which is found in no other nation—should not be regarded lightly. It is even written into the United States Constitution in the following form:

> A well regulated Militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.

As a consequence, the 800,000 strong and influential National Rifle Association acts as a powerful force in frustrating the attempts of legislators to place sane and reasonable controls on the use of firearms in America.

There is no doubt that strict, ably enforced, gun control laws greatly reduce the crime, suicide and accident rates of any nation. Other than the United States, most Western countries demand that, at least, all hand guns be registered, and many include rifles and shot guns as well. As a result, the annual death rate because of firearms has become a negligible statistic in most democracies, with the exception of America. Prior to the passage of the 1968 United States Gun Control Act, the debates in Congress referred many times to the measures adopted by other nations. The following table, although somewhat outdated, provides a good indication of America's problem in relation to a selected group of other countries. The rates

are based on 100,000 per population and nations are listed in accordance with their homicide rates per 100,000 of population. I will ask permission to insert this table in the record.

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

Hon. Senators: Agreed.

Death by Firearms

Country	Population	Year	Homicides		Suicides		Accidents		Total Numbers
			Number	Rate	Number	Rate	Number	Rate	
United States	190,000,000	1967	8,332	4.2	10,550	5.3	2,896	1.5	21,778
Australia	11,810,000	1967	66	.56	357	3.02	77	.65	500
Canada	19,604,000	1966	98	.50	609	3.10	197	1.0	904
Italy	52,354,000	1967	186	.36	332	.64	155	.30	673
France	49,548,000	1967	121	.24	990	2.0	248	.50	1,359
West Germany	57,699,000	1967	106	.18	640	1.11	69	.12	815
England	48,391,000	1967	48	.10	193	.40	63	.13	304
Netherlands	12,598,000	1968	9	.07	13	.10	2	.02	24
Japan	99,918,000	1967	20	.02	68	.07	82	.08	170

(1) *The Congressional Record*. 16 June 1970, p. 19983.

Hon. Mr. Cameron: The figures speak for themselves with the exception that the rates for the United States continue to increase. Taking these numbers as they stand, however, and considering homicide rates alone, it can be seen that for 100,000 per population the rate in the United States stands at 4.2 per annum. This is roughly seven times the rate for Australia; eight times the rate for Canada; 12 times greater than Italy; 16 times that of France; 20 times that of West Germany; 50 times the rate of England; 56 times the rate in the Netherlands, and finally, 200 times the rate in Japan.

What provides this great disparity is that other nations have enacted, in varying degrees, legislation based upon the registration and restriction of firearms. This the United States has yet to do.

The legislation in the United Kingdom is looked upon as a model for most countries. Britain has a long history of firearms control through which the actual licensing of guns started as early as 1870. Only 45 murders involving guns were recorded in England and Wales during 1967, and despite the killing by guns of three unarmed policemen in August 1966, the London Police Federation voted against the arming of constables except in "most exceptional circumstances." Weapon controls for civilians are strict, and the restrictions are divided into three categories:

a. Guns which fire in burst, that is, machine guns, may be only possessed with a certificate of approval from the Ministry of Defence. Even the police must have certificates for holding weapons of this nature.

At this point I cannot help reminding you that you cannot look at your television set any single night without seeing two or three or four shows, often in children's viewing time, where machine guns and other weapons are used for committing mayhem all over the place. This cannot help but influence the climate in which our young people are growing up.

b. Other weapons, including hand guns and rifles but not shot guns, are covered by the Firearms Act of 1937, which consolidated a number of earlier laws. Under this Act it is an offence to possess such weapons without a certificate issued by the chief constable of one's locality.

c. Shot guns are controlled under the 1968 Firearms Act, which came into force on August 1st of that year. Controls on shot guns—which had previously been exempt from gun laws—followed a rise in indictable offences involving firearms through the early 1960s. As with hand guns and rifles, a certificate to possess a shot gun is now required, but the onus is on the chief constable of a locality to give reason for not granting a permit. This is not a requirement where other weapons are involved.

• (1450)

Approximately 220,000 firearm permits are extant in England and Wales and, because of the severe penalties for possessing weapons without a police certificate, it is doubtful that there are more guns in private hands than the number of permits indicate. Prior to the Firearms Act of 1968, a three-month amnesty was held for returning weapons held by citizens without a certificate. A total of 25,088 were turned in, including 8,847 revolvers and automatics, 4,340 rifles and 9,488 shot guns. Three other amnesties have been granted since the end of World War II. The first was in 1946 when 76,000 weapons were turned in; the second in 1961 when 70,000 were returned, and the third in 1965 when 41,000 guns of all descriptions were acquired.

The English gun control legislation, as I indicated earlier, has been accepted as a model by most other democratic countries. Stiff penalties are provided for non-compliance with the law. In most cases the minimum sentence, on summary conviction, is six months or a fine of £200 or both, and on an indictment, three years or a fine, or both. These penalties are provided for a list of more than 100 different offences. All it is necessary to say from a casual review of the English law is that all the factors necessary for good gun control have been taken into account. The registration of weapons for dealers, manufacturers and individuals is the basis of this comparatively strict legislation, and the granting of permits to police constables to search without warrants on the grounds of suspicion only aids in enforcement of the law.

The French method of controlling firearms is simple and effective. Small arms, apart from hunting weapons can be purchased only on a police permit. Two kinds of permits are issued. One is for possession of a personal weapon, either in the home or at the office, where there is a special or peculiar security problem. The other is a permit to carry a weapon, and this is next to impossible to obtain. Such permits are issued only on the authority of the Minister of the Interior and apply only in very special cases; for example, in cases of citizens requiring personal bodyguards. Furthermore, official inquiries into requests for permits can take as long as six weeks, and there is no guarantee that they will be approved.

Anyone found in possession of a weapon without one or the other of these permits is automatically arrested and is subject to varying degrees of jail sentences depending on the circumstances and the plausibility of his explanation.

An individual cannot walk into a store and purchase a revolver without first obtaining a police permit. If he should then sell or transfer the weapon to someone else who does not hold a permit, he is in violation of the law. Serial numbers and full identity of all weapons are, of course, part of police files.

Prior to the outbreak of protests by students and workers in the late 1960s, anyone in France could own a hunting rifle or a .22 calibre weapon without authorization or registration. In May 1968, however, the Ministry of the Interior imposed a "temporary" control during which government approval was needed to buy such a weapon. This control is less restrictive today, although hunting weapons are only purchasable with a hunting licence and can be transported only if such a licence is in the possession of the individual carrying the gun.

Each of West Germany's eleven states have gun laws that on the surface appear to be the most liberal in the world. Anyone has the right to buy and own a gun. There is one important proviso, however, and that is that everyone needs a special licence to carry weapons. By the same token, only the police can grant such a licence and they will do so only if the applicant has a clean criminal record and can show cause that he needs a weapon for self-defence or professional reasons.

Hunters and members of shooting clubs must also obtain this special licence and can buy their weapons only from specified dealers. Military weapons are not for sale, and there are no mail order purchases of guns.

Japan's crowded nation of 100 million people has perhaps the strictest arms regulations in the world. With the exception of police, military personnel, Olympic Games marksmen and a few government research agencies, the possession of pistols, carbines and all small concealable guns is absolutely prohibited. Possession of such weapons carries a maximum penalty of five years' imprisonment or a fine of 200,000 yen—$555—or both.

Japanese national police headquarters claim that, because of their vigilant enforcement of the law in this regard, there are never more than 50 illegal revolvers in circulation at any one time. The largest source of illegal hand guns seems to be through purchases from American servicemen on leave from Vietnam.

[Hon. Mr. Cameron.]

Hunting and target rifles, shotguns and air guns are licensed through Japan's Public Safety Commission. The licensing requirements are stringent and unique and include a minimum age limitation of 20 years, no criminal record, reasonable grounds for possession, and a mental health certificate signed by an authorized medical doctor.

Firearms offences are negligible in Japan, and authorities all agree that it is because of the weapons restrictions. In 1967, out of 92,100 cases of murder, robbery and assault only 120 cases involved firearms.

In the United States, crimes committed with guns have been increasing since 1964. According to the FBI, murder through the use of a firearm has more than doubled; aggravated assault has increased 167 per cent, and armed robbery has gone up 200 per cent. The following extracts from the *Congressional Record* of June 1970 provide figures for the years 1964-68. When combined with the 1971 statistics, they corroborate the FBI's recent findings.

There is a table I should like to have inserted in the record.

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

Hon. Senators: Agreed.

Increase in Gun Crimes in the United States

Year	Homicides by gun	Percentage of total homicides	Aggravated Assault by gun	Armed Robbery by gun
1964	5,090	50	27,700	42,600
1965	5,634	57	34,700	52,000
1966	6,552	60	43,500	59,300
1967	7,700	63	52,950	73,000
1968	8,930	65.4	65,250	99,000[2]
1971	11,300	—	92,000	160,000

Hon. Mr. Cameron: This table shows that from 1964 to 1971 homicides by guns went up from 5,090 to 11,300. The percentage of total homicides went up from 50 per cent to 65.4 per cent. The number of cases of aggravated assault by a gun went up from 27,700 in 1964 to 92,000 in 1971. Armed robbery by gun went up from 42,600 in 1964 to 160,000 in 1971.

One reason guns figure so prominently in crimes of violence is that there are so many in circulation. A task force for the Violence Commission estimated in 1969 that there were roughly 90 million firearms in private possession in the United States, and that one-half of the nation's 60 million households had at least one gun on the premises. On June 27, 1972, Senator Edward Kennedy stated:

> According to some estimates guns outnumber our population of 210 million people.

As already mentioned, there is great diversity between state and local gun laws. A number of efforts have been made to promote uniformity of legislation among states, but little headway has been made. One thing is certain, however, and that is the gun homicide rates in states with strong or at least minimal gun legislation are far lower than in states with weak or non-existent laws. For those with relatively strong laws such as Pennsylvania, New Jersey, New York, Massachusetts, and Rhode Island, the

percentages of gun murders to total murders is 43.2 per cent, 38.6 per cent, 31.8 per cent, 35.3 per cent and 24 per cent respectively. For those with weak laws such as Florida, Arizona, Nevada, Texas, Mississippi and Louisiana, the rates are 66 per cent, 66.4 per cent 66.9 per cent, 68.7 per cent, 70.9 per cent and 62 per cent.

Interest in federal gun legislation began in the 1930s with the rise of gang warfare in the big cities. The National Firearms Act of 1934 was directed at the armaments of gangland and called for the registration and taxation on manufacture, sale or transfer of machine guns, sawed-off shot guns, cut-down rifles, mufflers and silencers. Four years later Congress passed the Federal Firearms Act which

(a) required manufacturers and importers of firearms and of pistol and revolver ammunition to obtain licences from the Internal Revenue Service,

(b) made it unlawful for a dealer or manufacturer to ship a firearm to unlicensed firms where state law required licensing, and

(c) Made it unlawful to knowingly ship firearms and ammunition to anyone convicted of a serious crime or under indictment.

• (1500)

No further United States federal legislation of significance was passed after that time until the 1968 Gun Control Act. This law strengthened the restrictions on hand guns and extended them to include long guns and ammunition. It prohibited interstate shipment of mail order firearms, and shipment within a state was only permitted if the buyer submitted a sworn statement to the seller that attested to his competence to possess the weapon. The law also strengthened licensing procedures for gun manufacturers and dealers, and prohibited the importation of certain foreign firearms. However, the one proposal sought by most gun control adherents—the federal registration of all firearms—was not included in the act.

One aim of the 1968 Gun Control Act was to stop the flow of the cheap and poorly made little hand guns from abroad. These "Saturday-night specials" were useless for sport but suitable for holdups. The effect of the import ban, however, was to nourish the growth of a protected domestic industry for the manufacture of similar weapons. The legal loophole was that the importation of gun parts was not affected by the act—only importation of the complete weapon was banned. As a consequence, more than one million cheap revolvers, selling at between $5 and $25 each, were produced in the United States in 1970, of which some 600,000 were quickly put together from imported parts.

A bill to stop the manufacture of all these hand guns was introduced in September 1971 by Senator Birch Bayh and approved by the Senate Judiciary Committee on June 27, 1972, despite objections from administration witnesses and the National Rifle Association. On August 9, 1972 the United States Senate approved the measure by a vote of 68 to 25. If the bill becomes law it will mean that no firm will be able to sell these so-called "Saturday-night specials."

It is of interest to note the voting patterns on two amendments to Senator Bayh's bill, which in other nations would have been considered realistic and mere common sense in view of the circumstances. The first amendment was a measure to prohibit privately-owned hand guns of any kind and was rejected by the senators in an 83 to 7 vote. The second amendment, by Senator Edward Kennedy, proposed that all firearms, shotguns and rifles as well as hand guns, be registered, and that owners be obliged to obtain federal or state licences. This was rejected by a vote of 78 to 11, which gives some idea of the influence of the National Rifle Association and the philosophy of the "gun mystique" in America.

The arguments put forward by the senatorial foes of Senator Bayh's bill centred around the contention that the measure would prove unenforceable and that it usurped local and state police powers. Other arguments, both pro and con, which are recurrent themes in America's struggle to gain some equitable balance in its gun legislation, are worthy of note.

The arguments for gun control might be summarized as follows:

(1) The increase in crimes of violence makes it necessary to reduce the number of guns in circulation.

(2) Possession of a gun by the ordinary citizen provides little protection and may present additional hazard in case of attack.

(3) Guns in the home increase the likelihood of fatal accidents and crimes of passion.

(4) Gun registration would not deny gun ownership to responsible persons who can prove a legitimate need for the weapon. It would also aid police greatly in tracking down criminals.

(5) Stricter rules to qualify for a gun licence would represent only a minor inconvenience to sportsmen.

(6) Countries with strict limitations on gun ownership have lower crime rates. This is demonstrated over and over again.

(7) Federal regulation is necessary because differences between state laws negate effectiveness of control measures.

The arguments of those against gun control are as follows:

(1) The gun is not the criminal. We are beginning to hear this argument in Canada. The way to prevent crime is to punish more severely the criminal who misuses the gun.

(2) Citizens need guns to protect themselves and their homes from criminals.

(3) Education in the safe use of guns is the best safeguard against unintentional misuse.

(4) Gun registration would be an intrusion on the privacy of the individual, and would provide a means of large-scale gun confiscation by the government.

(5) Oppressive gun regulation requirements would harass sportsmen and lower the level of national marksmanship skills.

(6) Gun laws are not determinants of the incidence of crime.

(7) Gun regulation is the province of states and localities, not the federal government.

Honourable senators, these are the arguments that are used in the United States and which we are beginning to

hear used in Canada. I must say that I was a little disappointed to hear the Minister of Justice, speaking on this very matter not long ago, saying that he was not very enthusiastic about more restrictions on the sale of guns in this country. However, if you read the record and the kind of information I have been putting before you today, you can see that wherever tight gun control exists the incidence of crimes related to guns has been greatly reduced.

It is one of the curiosities of the gun control situation in the United States that public opinion, as measured by polls, has for 30 years in large majorities favoured strengthening the control measures. The latest Gallup Poll, conducted in May 1972, indicated that 71 per cent favoured a law that required a police permit for buying any firearm. It is possible in the face of such opinion that the tide may be turning and that weapon registration—the only real deterrent to weapon proliferation—will yet become a reality in the United States.

The conclusions are:

(a) Strict gun control laws—by which is meant partial or complete weapon registration—coupled with good enforcement, reduces the crime rate in a nation, along with the numbers of people who are killed or maimed through accident, assault and suicide.

(b) In no other country is the record of gun violence and gun killing so great as in the United States. The reasons for this are the loopholes in a large number of relaxed and liberal state laws, and the lack of a strong federal law which demands the registration of firearms and a system of permits for gun owners.

(c) In recent years many western nations with strong gun laws have shown increases in crimes committed with hand guns. In comparison with the United States, however, the increases have been slight, and gun problems remain minimal.

(d) A gun legislation model for most western nations is the Firearms Act of the United Kingdom.

(e) Should a restrictive gun control act become law in the United States tomorrow it would still take many years before its effect would be felt. This is because of the massive numbers of unregistered firearms in private hands—anywhere from 90 million to 200 million weapons. The need for such legislation is urgent in view of such modern-day phenomena as civil disobedience, political kidnapping, assassination, skyjacking, and out and out terrorism.

(f) Canada's 1970 amendment to the Criminal Code tightened the control of private firearms. It restricted the sale and ownership of hand guns, automatic weapons, sawed-off shotguns, and rifles to persons granted permits by the police or a provincial attorney general. It provided no restrictions, however, on the sale and ownership of regular shotguns and rifles for hunting purposes. Practically speaking, any person 16 years of age or older can purchase a shotgun or rifle in a sporting goods shop in Canada without having to give his name or address.

Although Canada is not generally imbued with a "gun mystique" as is the United States, its close proximity to that nation and its similar life style makes it far more vulnerable to gun proliferation and gun violence than other nations.

[Hon. Mr. Cameron.]

• (1510)

It seems reasonable under these circumstances that all firearms should be registered in Canada. It could be done in the following manner without undue inconvenience or loss of democratic rights to either buyer or seller:

(1) Every person who purchases a firearm should be obliged to show proper identification.

(2) Both buyer and seller should be jointly responsible for filling out a form that links the firearm to its owner and gives the reason for its purchase.

(3) The buyer should also be required to list all other firearms in his possession.

(4) The seller should be obliged to send this information to a central registry office kept either by the RCMP or the provincial governments.

(5) The buyer should be obliged to notify the registry office if his weapon is sold or stolen.

These points were itemized in the Ottawa *Journal* of November 20, 1970, under the heading: Why Not Register all Firearms.

To the five points listed above, I would add a sixth: That guns must not be sold to people with criminal records, or to those who have any history of mental illness or addiction to drugs.

Admittedly, such a law embodying the foregoing points would only control weapons owned by honest citizens, but in time it would frustrate criminal activity by making police investigations much simpler and quicker.

It is with the intention of giving effect to these principles that Bill S-2 is submitted for the consideration of honourable senators. The bill deals essentially with sections 82, 87, 92 and 95 of the Criminal Code. I shall now deal with the amendments and explanatory notes as they appear in the bill.

Clause 1: The purpose of this clause is to place machine guns and shortened guns—sawed-off shotguns—which are now "restricted weapons," in the category of "prohibited weapons." It also places rifles and shotguns which are unrestricted in the category of "restricted weapons." As a result, all weapons will be either "prohibited" or "restricted."

Clause 2: The purpose of this clause is to make all transfers of weapons, whether commercial or private, subject to authorization.

Clause 3: The purpose of this clause is to make all offences relating to guns indictable, and consequently to eliminate all summary convictions. Section 92 becomes unnecessary because of the new section 87.

Clause 4: The purpose of this clause is to require a permit for all "restricted weapons," which in fact includes all firearms.

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 prohibitive order for at least 10 years.

Clause 6: The purpose of adding paragraph (e) to section 97(2) is to provide that a permit may be granted to use

a rifle or shotgun for hunting subject to the granting of a hunting licence.

The proposed new subsection (2A)(a) makes it mandatory that a test be passed before any weapon permit may be granted. The test would deal with the knowledge and handling of weapons and the laws pertaining to them. Paragraph (b) sets out those persons who are prohibited from being granted a permit for a weapon.

As I indicated earlier, if this bill receives second reading, I shall propose that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs. I commend the bill to the house, and hope that it will receive favourable support.

Hon. Mr. Argue: May I ask the honourable senator a question? Is this bill identical to that introduced in the other place on the same subject?

Hon. Mr. Cameron: Yes, and the reason is that there is a considerable saving in time and expense by reproducing the same bill. Any amendments that we wish to make can be made in committee.

Hon. Mr. Deschatelets: Will the honourable senator permit me a question? Is there any reference in the bill to the sentence to be imposed on a person convicted of a criminal offence while carrying or using a gun?

Hon. Mr. Cameron: The bill deals mostly with the control of weapons rather than offences.

Hon. Mr. Deschatelets: The honourable senator has compared the laws of several countries, such as the United States, the United Kingdom, France, and Japan, governing this aspect of criminal offences. Has the honourable senator any information on comparisons between those countries in respect of the sentences that are imposed?

Hon. Mr. Cameron: I have details only for the United Kingdom. There are about 100 different offences for which there are penalties. The minimum penalty is six months' imprisonment or a fine of £200, or both, on summary conviction. On indictment, the term of imprisonment is three years.

Hon. Ernest C. Manning: Honourable senators, it would normally be a pleasure for me to support any legislation proposed by Senator Cameron because he is a fellow Albertan and a personal friend of many years, but I am afraid that is a pleasure I shall have to forego on this occasion. I should like to be on record as being emphatically opposed to the type of legislation represented by Bill S-2.

I am not a member of any sportsmen's or gun club. I am not a gun enthusiast. I have no axe to grind from any of those standpoints, but I oppose this legislation because I consider it to be basically unsound in principle.

It is based on the premise that greater restriction on the possession of firearms will be helpful in reducing crimes of violence, particularly those of murder, manslaughter, suicide, and so on. It is my submission that that premise is without foundation.

The criminal element responsible for a large percentage of crimes of violence will certainly not be deterred in any way by the imposition of further restrictions on the ownership of firearms. Surely we all recognize that a criminal, a person with criminal intentions, has no difficulty, and will have no difficulty, in obtaining firearms, whether or not we have more restrictive legislation. The black market will always provide whatever the criminal element requires.

So I say at the outset that the concept that we can in some way curb crimes of violence by imposing restrictions on the ownership of firearms is unsound. It will not affect the criminal element in any significant degree.

Do we think for one moment that men such as those who ambushed and gunned down the policemen, to which incident Senator Cameron referred, will be prevented from acquiring firearms by the passage of legislation of this kind? Of course they will not. Do we think that the individual who intends to take his own life will be prevented or deterred from obtaining a revolver? He will not worry very much if after his death it is found that he was illegally in possession of a firearm. It is completely impracticable to think that the imposition of restrictions can stop crimes of that kind.

The argument is advanced that a great many murders and manslaughters are crimes of passion. A weapon happened to be handy to the individual whose anger was aroused, so it was used to commit manslaughter or murder. Undoubtedly, this has happened, but here again, does anyone seriously think that a man who is emotionally disturbed to the point that he would kill someone is going to be restrained from so doing merely because he is not able to put his hands on a revolver? He will put his hands on something else. He will hit that someone on the head with something, strangle him, or use any one of a dozen means to kill him. Crimes of violence are not going to be stopped merely by eliminating one of the weapons. If a revolver or a rifle is not handy, the offender in all probability will use something else.

• (1520)

My concern about legislation of this kind, in addition to some of the points mentioned by Senator Cameron as arguments advanced against it, is that we would be imposing on a great many law-abiding citizens another government restriction, another permit that they would have to get, another examination that they would have to take, before they can possess a rifle or a shotgun.

I am not speaking now of machine guns or sawed-off shotguns. I cannot think of any valid reason why the average citizen, outside of the criminal element, would be interested in owning those types of weapons. But in the rural areas of Canada, certainly in Western Canada—and I think Senator Cameron will agree with me—I doubt if you would find a farm home in which there is not a rifle and a shotgun, and probably several of them. These are normal instruments as far as rural families are concerned, especially if there are boys in the family. As soon as boys are old enough, their fathers teach them how to shoot. They have their .22 rifle for shooting rabbits, gophers, and other pests, and their shotgun for hunting in the fall. These things are found in every rural home.

When you tell these law abiding people that because the occasional individual uses a weapon in a crime of passion, or because the criminal element is using weapons for illegal purposes—which they are going to continue to do, in any event—they have to obtain permits before they can

own a .22 rifle or a shotgun and probably take an examination to prove they know how to handle them, you are adding to the multiplicity of government permits and authorizations they already have to have. You are imposing another inconvenience on thousands of law-abiding citizens. I do not want to give the erroneous impression that this is something major, but it will be one more government regulation added to the multiplicity of those already in existence. This, in my opinion, creates a disrespect for law and order in this country today.

A person can hardly turn around without having to go to some level of government for a permit, or to find out if it is permissible to do something. Senator Cameron mentioned the activity of the sportmen's world in this matter. I agree with what he said. I think probably one of the reasons why they are so sensitive to this type of thing is that that is a field in which they are regulated time and time again. If a man wants to fish he has first to obtain a licence, and he is told which stream or lake he can fish in, and when he can fish. If a man wants to go big game hunting, again he has to obtain a permit, and again he is told when he can go. The government also regulates the size of his rifle and the weight of the pellets in his shotgun. He is smothered with permits. Now the government comes along and says, "Before you can even own a rifle you have to fill out forms, take tests, and go through all this in order to obtain a permit."

Honourable senators, what we are doing with this type of legislation is illustrative of what we are doing with scores of other pieces of legislation with which the average citizen is confronted across this country today. We are smothering people under government requirements and regulations with respect to a great many things.

The practical value of these permits is very debatable. However, in the process we are making people so sick and tired of being regulated that we are breeding a disrespect for law and order which, to my mind, is far more serious, and in the long run far more damaging, than requiring an individual to obtain a permit for a rifle or shotgun, especially when you take into consideration the fact that 99.44 per cent of the people are going to use those rifles and shotguns within the law.

It is for this reason that I am against any further legislation which imposes restrictions of minimal value and which are just added irritations to the citizenry. People are already extremely irritated by the amount of this type of thing that we have in Canada today.

I do not intend to argue all the points in the list of objections mentioned by Senator Cameron. Personally, I think there is a good deal to them.

If we are serious in wanting to control crime, it is the criminal with whom we ought to be dealing. An increasing number of people in Canada are coming to the conclusion that this stupid philosophy—as I call it—of the last 10 or 15 years, where almost everyone who commits a criminal act becomes the object of public sympathy, is encouraging crime rather than curtailing it. If we are serious about curtailing crimes of violence, then let us start treating the criminal as a criminal. Let us not start requiring thousands of law-abiding, decent people to go through more government tests to obtain more government authorizations before they can do the things which are quite reasonable and normal for them to do.

[Hon. Mr. Manning.]

On motion of Senator Macdonald, debate adjourned.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—DEBATE ADJOURNED

Hon. Henry D. Hicks rose pursuant to notice:

> That he will call the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.

He said: Honourable senators, I do not have to explain why I have a particular interest in this subject, and why I think it is important that our attention should be directed towards it at this time, because it will be the subject of discussions between representatives of the Government of Canada and the governments of the provinces, and hopefully of the universities of Canada, some time later this year. The arrangements under which we presently operate, which expired under the original terms in 1972, have been extended for two years, and will now expire in 1974, so that some new arrangements will have to be made between the federal government, the provinces and the universities of Canada to take effect after the end of the fiscal year 1973-1974.

• (1530)

I know it is customary to say that the Constitution of Canada, the British North America Act, charges the provinces with the exclusive right to legislate in respect to education, but we all know, of course, that this is a pattern which has not been followed exactly, and that there has been in the history of our country a great deal of overlapping of interest and responsibility, and indeed even legislation and financial support, for education at various levels, particularly at the post-secondary level.

Let me remind you, honourable senators, that at the time the British North America Act was drafted and came into force in 1867 it was not contemplated by the Fathers of Confederation or, so far as I know, by anyone else at that time, that governments in Canada, at either the federal or provincial level, would have very much to do with such important matters as education, health and welfare, or even highway construction. Indeed, virtually no expenditures were made at the time of Confederation, more than a hundred years ago, in these areas, which now account for the major portions of both the current and the capital expenditures of the provinces of Canada—education, health and welfare, and highways—and which also constitute a major proportion of the budget of the Government of Canada.

It is really remarkable that our Constitution, drafted at a time when government involvement at the federal and provincial levels with education was not seriously envisaged, has served our needs so well for more than a hundred years. Indeed, to me it is not the inflexibility of the British North America Act which is surprising; it is its flexibility to deal with the changed circumstances that

have occurred in Canada in the more than one hundred years of our history. We have found it possible for the federal government to participate in old age pensions, unemployment insurance, various shared programs, the tax rental agreements, and so on. In most cases this has been done by agreement between the federal government and the provinces, though occasionally we have had to resort to constitutional amendment.

The point I am trying to make, honourable senators, is that there is no constitutional bar to our approaching these problems in the way we want to handle them. The problem is not constitutional; it is political. When the people of Canada, through their elected representatives, decide what they want to do, they will not find that the Constitution of Canada prevents them from doing it. However, I should point out that even from the strict constitutional point of view there is, in my judgment and the judgment of many other scholars, no bar to the federal government's assisting in post-secondary education—as indeed it has done in the past—at the university level as well as the many other kinds of post-secondary education and training.

It is generally stated that section 93 of the British North America Act charges the provincial governments with the exclusive responsibility to make laws in relation to education in and for each province. However—and I stress this point—it is rather interesting that the inclusion of section 93 was rather to guarantee the rights of certain denominational schools in various parts of Canada than to allot, assign or apportion financial responsibility. It is also interesting to note, while it was quite clear that section 93 charged the provincial legislatures with the responsibility for education that at the time the Fathers of Confederation thought the ultimate safeguard, in the event that provincial legislators did not do their work properly, was an appeal to, or an intervention by, the Government of Canada through the Governor General-in-Council.

Section 93 was included in the British North America Act, in my judgment, for a very special purpose. We have to look to the great sections 91 and 92, which divide the legislative responsibility among the federal government and the provinces. We have to consider the importance of the "peace, order and good government" provisions of section 91, and the various provisions of section 92, chiefly the "property and civil rights" one. Without prolonging this argument, I think that my friend, Dr. J. A. Corry, the former principal of Queen's, and one of the most distinguished constitutional experts in Canada, summed it up extremely well when he said that the provincial legislature must speak for the province, but the "federal government must speak for the nation." In Dr. Corry's view, section 93 of the British North America Act refers to the powers of the legislature "in and for each province," but Parliament has the requisite competence over needs that transcend provincial boundaries under the "peace, order and good government" clause. Dr. Corry is not the first person to make that observation, but, as he usually does, he makes it succinctly and well.

What is the history of this matter in Canada? First of all, in support for post-secondary education in the eastern provinces of Canada there was very little provincial government participation until comparatively recent times. Indeed, until after World War II these governments did not concern themselves significantly with financial support for post-secondary educational institutions, though they did pass laws granting charters to colleges and universities, and regulated the power of universities to grant degrees. It was different in the western provinces of Canada, because there the provincial universities were developed largely as provincial institutions, somewhat analagous to the land grant colleges in the United States. Hence the history of provincial government involvement with Canada's universities changes as we move east or west from the central province of Ontario.

In any event, there was, until the end of World War II, no direct federal assistance to post-secondary education at all, except in certain vocational and technical education programs, which were first supported, I think, by the federal Department of Labour and, more recently, by many programs in the Department of Manpower and Immigration and other departments of government.

Hon. Mr. Martin: The first in 1919, I think.

Hon. Mr. Hicks: The first was that of the Department of Labour in 1919. I was correct in my recollection there.

The federal contributions to university research have been very different, and would support a student at the post-graduate level under various research grants. This kind of support, of course, goes back to the foundation of the National Research Council in 1917, if my recollection is correct there. The government leader has such a wealth of knowledge on these historical details.

Hon. Mr. Martin: I doubt if it was as early as that. Dr. Tory was the first President of the National Research Council.

Hon. Mr. Hicks: I do not think their involvement in post-graduate support and university research goes right back to the beginning.

• (1540)

In any event, certainly from the early 1920s, the National Research Council began to play an important part in the support of research in the universities. In later years, similar support in the humanities and the social sciences has been forthcoming from the Canada Council, and in the medical sciences from the Medical Research Council, as an addition to and in continuation of programs started earlier in the National Research Council.

Support of research related to various federal government departments has been a long-standing occurrence in the Department of Agriculture, the Department of Fisheries, and many other departments. This sort of mission-oriented research has been supported inside and outside the universities by federal departments. I am not really concerning myself very much, in the balance of my remarks, with the subject of research. We have to come down to the year 1950-51 to note the entrance of the federal government into any direct program of support for post-secondary education in Canada.

The first reference to this that I have been able to find occurred in a speech made by the Right Honourable Louis St. Laurent in October 1950, at the fall convocation of the University of Toronto, when he said:

> I think many of us recognize increasingly that some means must be found to ensure to our universities the financial capacity to perform the many services which are required in the interests of the whole nation.

I stress that last point because Mr. St. Laurent was to repeat it again and again, as he did next in the other place on May 3, 1951, when he quoted the remarks that he had made in Toronto in response to questioning about the policy of the government in support of the universities, and the expectations of the report of the Massey Commission.

Mr. St. Laurent repeated the same sentiments on June 19, 1951, referring to the need for the federal government to recognize the services which Canada's universities render to the whole nation, and the responsibility of the Government to give some assistance to enable the universities to discharge this responsibility. At that time, his sentiments were approved entirely by the Honourable George Drew, the then Leader of the Opposition. Indeed, I could show you that this recognition of the services of the universities to the federal government and to the nation as a whole was affirmed as being more and more important, as our society became more complex in the post World War II era. On June 30, 1951, Mr. St. Laurent, speaking on the supply motion, supported the first appropriation of $7,100,000, based upon 50 cents per capita of the population of the nation, to support the universities as direct grants to them.

I must admit here that it seems to me that the device which Mr. St. Laurent used constituted a classic example of a non sequitur, because the support was based on the population of the provinces, not on the population of the universities or, if you like, it was not in proportion to the services which the universities were rendering to the nation—which was the rationale which Mr. St. Laurent had used to explain or justify, even to require, the federal government's getting into this field.

This resulted in some very interesting anomalies. It meant that the level of support of universities, in relation to the numbers of students they had, or to the educational services they were rendering, varied widely across Canada.

I think one could justify the fact that this support was very high on a per student basis in a province like Newfoundland, which at that time had very few university students in relation to its population. It was more difficult, however, for us in Nova Scotia to accept the fact that at that time the average grant to the universities in Nova Scotia ran at about one-half the figure per student that was provided for students at the University of Toronto.

As I say, there were some anomalous situations in this kind of support, but it did at least mark the beginning of the federal government's participation in bearing some of the costs of operating our universities—costs which we all know have been rising so rapidly in the last 20 years as to cause genuine concern to all Canadians, both inside and outside the universities.

Honourable senators, I shall not take you through the long history of this support program, which embraces the objections of the Province of Quebec to the direct grants, and the justification in that province for providing the money in proportion to the population, because it was felt that it would be too difficult to define university students and to differentiate between some students in religious institutions as to whether they should be counted or not. In any event, it was felt better by the federal government—at least, I have always supposed that this was the reason—to make the grants in proportion to the population, and to leave it to the local authorities, the provincial authorities, to decide which institutions were eligible for the grant in any particular province.

Even so, I say this was somewhat less than a satisfactory method, though one must acknowledge that it provided tremendous urgently needed support to the universities at a time when they certainly would have faltered if some such support had not been forthcoming.

In any event, it was then decided that the money should be distributed through the National Conference of Canadian Universities and Colleges, and this overcame some of the difficulties, but not all of them. It did not overcome the inequities in the level of support to the universities in one province in comparison with those of another.

Since we are not concerned here with an historical analysis of the situation, I think I should now deal with the formula which was developed in the fall of 1966, in contemplation of the end in 1967 of the previous arrangements. This is generally referred to by my academic colleagues as the Pearson formula, and it is the formula which presently determines the support of our universities.

This support is given through the provincial governments. Roughly, one arrangement was accepted by all but three provinces. It is significant that the three provinces which could not accept that arrangement were all Atlantic provinces—Newfoundland, Prince Edward Island and New Brunswick. They chose to accept support on the basis of so many dollars, originally $15 per capita, and because it was also tied to the aggregate cost of post-secondary education in Canada, the $15 figure is now up to $35 or $38, I believe, in those provinces. The remainder of the provinces accepted a proposal whereby Ottawa would transfer the yield of certain tax points—four personal income tax points plus one corporation tax point. Again, that also has been slightly increased, and it is now about 4.4 personal income tax points and one corporation tax point. Then followed the payment of a supplementary grant or an equalization grant to bring the transfers from Ottawa, to the provinces concerned, up to half the approved cost of operating the universities in a particular province.

On the face of it, this seemed like a pretty good arrangement. Indeed, at the outset I must acknowledge that this enabled a great growth to take place in the universities of Canada in the last third of the 1960s and the first years of the 1970s. Over the last six years this kind of support has been a lifesaver to the universities of Canada, but it has also perpetuated some inequities which it would be desirable for us to correct, if we could possibly manage to do so.

• (1550)

First of all, the effect of this formula has been to give the most generous support to the richest provinces. It is

just as simple as this: If you can get half the cost of a Cadillac provided by someone else but you cannot buy the Cadillac because you cannot afford the other half, then you do not get it. So the wealthiest provinces in Canada, those which have been able to spend more of their own money in support of the universities, notably Ontario and Alberta, have received the greatest benefits under the 1966 formula for post-secondary education support, while provinces that could only afford to buy a Chevrolet, or some more modest educational vehicle not in the Cadillac class, have been able to draw down in support from Ottawa only half the cost of their reduced programs.

The result has been, I am sorry to say, that while it has supported great improvement in the universities—and no one should disparage the value of this support—it has tended to increase the disparity between the universities in the wealthy parts of Canada and the universities in those parts of Canada which are not so well off. I would hope, therefore, that when the arrangements are renegotiated this time some device might be found to remedy this situation.

Hon. Mr. Martin: Does the disparity about which my honourable friend is speaking apply to all of the universities in the Atlantic provinces?

Hon. Mr. Hicks: Well, here one must say that we have been very good in the Atlantic provinces at belt-tightening, and I would not say that we have lagged behind the rest of Canada in either growth, with some exceptions, or the quality of our educational services. But we have lagged behind in average salaries and in all the statistics that so often compare the Atlantic provinces disadvantageously with other parts of Canada.

The answer is that Nova Scotia chooses to take from Ottawa a transfer payment equal to half the operating cost of the universities. The other three provinces, as I said before, take so many dollars per capita, which in this current year I believe is between $35 and $38. This means, for example, that if a professor in Nova Scotia is paid $15,000 the Government of Nova Scotia eventually draws from Ottawa $7,500, but that same professor in Ontario would be paid $20,000, in which case the Government of Ontario would draw $10,000 from the Government of Canada.

Hon. Mr. Burchill: May I ask you a question, Senator Hicks? Are you using "per capita" in terms of the population of the province, or the population of the universities?

Hon. Mr. Hicks: The population of the province, not of the universities.

Hon. Mr. Burchill: Well, there is some relationship between the population of the universities and the grants in New Brunswick, because we are now in deep trouble there.

Hon. Mr. Hicks: I am not saying there is no relationship, but the moneys that the government of New Brunswick is entitled to take as transfer payments from the Government of Canada are calculated on the population of the province. The government of New Brunswick then distributes those moneys among the universities in New Brunswick in proportion, although not in exact proportion, to the population of the universities, allowing for certain weighting factors and taking cognizance of the fact that it is more expensive to educate a student at the PhD. level in chemistry at U.N.B. than it is to educate a student in a bachelor of arts program at Mount Allison, and so on. There are various complicated arrangements like this.

Furthermore, the province of New Brunswick, since the moneys that it can get from Ottawa are limited by the population of the province, has decreed that that money should be spent largely for students from New Brunswick. This has had the result that the universities of New Brunswick have been fixing quotas in relation to the numbers of students who may attend New Brunswick universities from other provinces in Canada. I am going to deal with that very matter in a minute, because it is, in my view, an undesirable result of these transfer payments in terms of the interests of the whole of Canada as one nation. New Brunswick is not the only province that has devices in its educational finance programs which have this result which I consider undesirable.

In any event, the thing that concerns me is the fact that the effect of this program has been to provincialize the universities of Canada. Senator Burchill has given me the opportunity to state the case in New Brunswick. Some other provinces have already started inquiries—none has yet adopted the policy, I am glad to say, but they have started inquiries which would have the effect of raising fees against students from outside the province, because the federal money that comes to a particular province does nothing to ensure that there shall be the same availability of places in the universities of that province to students from outside. For example, there would not be the same availability of places in the universities of Quebec, let us say, to students from Ontario as there would be to students from the province of Quebec.

It is my contention, honourable senators, that one function which the universities of Canada ought to play is a unifying function within the Canadian federation. Surely the Government of Canada ought to recognize that one of the important ways that this country can be held together, that the people of the West Coast can be made to understand the problems of Central Canada and the East Coast, and vice versa, that the people of French-speaking expression in Canada can be made to understand, and become aware of, and sympathize with, the problems of English-speaking people in Canada, and, perhaps even more important, that the people from the English-speaking provinces can become aware of the problems of the province of Quebec, is for young men and women during some part of their educational experience to have the opportunity of studying in a university that is not in their home town, or even in their home province, and, as a consequence, have the benefit of seeing something of the offerings that are available to them in other parts of Canada.

A secondary result of this kind of support, although it is not in the direct grants, also flows from the way in which students are supported by the system of student loans. Again this is administered by provincial authorities, and some provinces, on differing bases, add to it moneys of their own, either by way of loans or by way of bursaries. But even the federal money that can be loaned to a university student can be so controlled by the provinces that

assistance can be denied to students coming from another province.

To give an example, I know of one case which entailed some degree of hardship. A student who had been attending a university in Nova Scotia, with support provided by the armed services, took his first degree and served the requisite number of years in the air force. He was discharged from the air force in the province of Quebec. He came back to Nova Scotia to undertake graduate work but found that he did not qualify for a student loan in Nova Scotia because he did not have the residence qualification in Nova Scotia. He was told by the authorities of Nova Scotia to apply for the student loan in Quebec since that is where he had been discharged from the air force. But he found that he could not meet the residence qualification for a student loan in the province of Quebec either, unless he went to a university in Quebec. It seems to me that it is quite wrong when federal moneys can be used so that it is made more difficult for young Canadians to study in the universities of their choice, particularly in universities outside their own provinces.

• (1600)

Surely if the federal government is going to provide moneys by programs like this, it ought to ensure that those moneys are available to Canadians all across the country to study at universities all across the country.

Therefore, I say that while the universities of Canada might have been, and I hope they will become, a great unifying influence within the Canadian confederation, partly because of policies of financial support, they have not played their part in developing a Canadian unity and a Canadian consciousness which I think they are capable of doing, and indeed, honourable senators, which I think they must do if this country of ours is to stay together.

So, to sum up this part of my remarks, it seems to me that universities do serve the whole nation, and that they ought to be supported on an equitable basis, as between one another, from the federal treasury, regardless of the province in which they are located.

I know, honourable senators, that we have fallen into the habit of thinking it is anathema to Canadians in some parts of Canada that the federal government should participate directly in the support of universities. Speaking for myself, I do not believe that this is undesirable. Indeed, I believe that it is desirable, and I make no bones about stating my views on this. I think the universities of Canada ought to be supported in part directly from the federal treasury, and that the level of that support ought to be exactly the same to the universities of Newfoundland as it is to the universities of Alberta or British Columbia or wherever else they may be. That at least would ensure that a fair portion of the income of universities everywhere would be derived at the same rate as in the richest provinces in Canada.

It should also be pointed out that another result of the present system of transfer payments to the provinces has made it possible for the governments of some provinces to take the moneys, which are calculated on the basis of the expenditures of the universities in the province, but not to turn it over to the universities. This was notably the case in three of the Atlantic provinces.

In Nova Scotia, for example, Mr. Stanfield, who was the Premier of the province when the new formula came into operation, saved money for the taxpayer of Nova Scotia for three whole years under the Pearson formula. In later years, it is true, the proportion of expenditures contributed by the Government of Nova Scotia has risen rapidly. But there were three years when the amount of Nova Scotia money put into universities was actually less than it was in the year 1966-1967, the last year when there were direct grants from the federal treasury through the Association of Universities and Colleges of Canada, as it had then become, and direct grants from the provincial government to the universities.

In addition, the situation in British Columbia is well known. I do not think there one could say that it was because of lack of financial ability to support the universities at adequate levels, but the government of the day in British Columbia also did not turn over to the universities the moneys they derived from Ottawa under the so-called Pearson formula. Let me put it this way: If they turned over that money, then they withdrew some of the money which they themselves had previously been giving to the universities.

Therefore, honourable senators, I make no bones about my position, popular or unpopular as it may be. I think in the long run the Government of Canada ought to recognize the national importance of universities, it ought to recognize the national contribution of universities, and it ought to find some device for supporting the universities of Canada through a uniform formula which would apply to all universities across the country. It may very well be that the thinking is rigid in some parts of Canada—and here I am not speaking exclusively of the province of Quebec either, although it is quite true that in the province of Quebec it is generally felt that direct grants to the universities would not be a desirable course of action to pursue. I suggest that this view is not held even today by a great many—I cannot say most—university people in the province of Quebec, and I wonder even if it is held by the rank and file of the people.

I wonder how significant it is that politicians, at whatever level they operate, are naturally inclined to want to control things at that level. The federal government would be naïve if it thought that when the grants to support the universities of Nova Scotia were announced as "so many millions of dollars per year," the provincial government was going to say, "And of this amount we will recover half or some larger proportion from the Government in Ottawa." The federal presence in university support is virtually not known at all by the rank and file of people because the moneys that are transferred to the provinces by the tax points and the equalization payments are taken into provincial government revenues, and then the moneys that are paid out to the universities are paid out as if they were exclusively provincial grants.

My submission, honourable senators, is that in the long run this is not a healthy situation for our country, and some day the federal government—and I feel confident about this—will feel that it should once more get back into the situation of supporting the universities of Canada by direct subvention from the federal treasury, to be worked out in some way perhaps between the federal government

and the Association of Universities and Colleges of Canada.

Here again my friend Dr. Corry made a very cogent remark when he said, "The university has today become a public utility of a most important kind." That is true; it is a public utility of a most important kind in a complex federal state such as ours. Their importance cannot be ignored by the federal government, and the obligation of the federal government to provide direct support ought not to be shirked or postponed any longer than absolutely necessary.

Honourable senators, I have referred in my remarks this afternoon primarily to direct support of Canadian universities. Some of the principles which I have enunciated, indeed most of them, apply to both current and capital support. I did not mention that the federal government during the early years of the Canada Council embarked upon a program of direct capital support to Canada's universities, and this was done, with the limited amounts of money available, in a most equitable way, and was very acceptable to the universities. The federal government then withdrew from the area of capital support, except under very special circumstances—grants by the National Research Council for major equipment installations or major research projects, and in one or two instances by special agencies of government. The federal government withdrew from the area of capital support when it adopted the Pearson formula and said, in effect, "Since we are paying half of the operating costs of universities, we will leave capital support to the provincial governments." This again was all right with some governments, but it worked hardships on the universities in some other areas, and it did not result in a uniform practice across the country. Naturally, this operated to the detriment of universities in some of the less affluent parts of Canada.

I also recognize, of course, that the federal government does give substantial support to other forms of post-secondary education, and because I have talked about universities this afternoon, I would not want any honourable senator to think that I am of the opinion that the university is the only instrument for post-secondary or higher education. This, of course, is not true, and I do not hold that view. But I think the entrance of the federal government into the field of support of post-secondary education and training in vocational, technical and manpower retraining schemes is not subject to the same kind of criticism, and hence I have dealt largely this afternoon with support for the universities.

I have also, honourable senators, not dealt at any great length with research because again I recognize that the question of support of research, while being very important, is a matter where the federal government has a long history of successful participation. But I, for one, am just a little bit worried about the tampering with the National Research Council that has been recommended by many other agencies in this capital city, and, indeed, even by a committee of this very chamber. I think we should be very cautious about dismantling the National Research Council or stripping it of some of the prerogatives that it has discharged so well for so many years. I would want to be very sure that we have provided adequate alternatives before we take granting powers—and I am referring largely to the support of research and graduate programs in universities—away from the National Research Council.

• (1610)

In any event, I favour direct participation on the part of the federal government in support of research as well, without the kind of provincial intervention which, I am afraid, will delay and limit and circumscribe research activities in our country.

Honourable senators, I think I could not do better by way of conclusion than to read the last paragraph in an article reprinted from *The Journal of Politics* entitled "The Universities and Governments Under Canadian Federalism." This was written by an American professor at Duke University where they have a very good centre for commonwealth studies. R. Taylor Cole, writing on this subject as a friendly American with a great deal of knowledge about Canada and its universities, strikes a note that should be of concern to all Canadians today. He says:

> In appraising the role played by universities in Canadian federalism, it is clear that they have been one focal point for adjustments in the process of arriving at a flexible balance between the centrifugal and centripetal forces that are operative. It is difficult in the long run to determine in which direction the power pendulum is moving, though at the moment the pressures away from the centre toward the provinces are strong. The separatist demand from Quebec is particularly significant, and the faculty and students of the universities may be increasingly affected by it. It is also possible, however, that in the long run the university elites will furnish the basis for some type of national unity. There is reason to expect that the Canadian universities will continue to provide, even from different cultural perspectives, some of the key members of the political or bureaucratic elites who can and will speak the language of accommodation. And in that crucial role may lie the future importance of the university for Canadian federalism.

Honourable senators, I think we in this chamber, and the government, cannot ignore the vital role which Canada's universities ought to play and must play in the future of our country, and in the preservation of national unity which depends upon the kind of understanding and tolerance which ought to characterize the functions of a sophisticated university in any society, and certainly in a federal society.

Hon. Mr. Graham: I wonder if Senator Hicks would permit a question. My question arises out of the extensive coverage given in the Nova Scotia press yesterday of an exhaustive report on the state of the health care delivery system in that province. It was submitted to the Province of Nova Scotia by the Health Council of Nova Scotia. In its report the Council suggested that the supply of doctors in Nova Scotia was approaching what it described as an adequate number. However, I suspect the distribution of those doctors throughout the province still leaves a good deal to be desired.

The report went on to say that an expansion of dental training facilities in Nova Scotia is needed immediately and that the government should take the initiative in

defining support for an institution which is very dear to your heart, the Dalhousie Dental School.

In another section of the report, reference was made to what was described as an acute shortage of dentists in the province. In a survey it was found that at least two counties had no dental service whatsoever.

In the Nova Scotia Legislature last week a Cape Breton member, who is also a dentist, Dr. Michael Laffin, suggested that greater use could be made of the facilities available at the Dalhousie Dental School. He suggested that with two shifts a day, with weekend and summer classes, the number of graduates in dentistry in Nova Scotia could very well be doubled.

My question is this: In view of the acute shortage of dentists in Nova Scotia, is such a program as proposed by Dr. Laffin feasible and, if so, is this the kind of program which might be undertaken with greater financial assistance from either or both the provincial and federal governments?

Hon. Mr. Hicks: Honourable senators, the question that Senator Graham has asked is, of course, one of great importance not only to Nova Scotia but to all four Atlantic provinces, since the facilities at my university for medical and dental education have for many years satisfied the needs of Canada's four Atlantic provinces. The medical school established in Newfoundland, which will graduate its first class in 1973, will add to the facilities for training medical doctors, but not dentists.

I think it may very well be that the supply of medical doctors has been greatly improved as a result of enlarging the Dalhousie Medical School, and of the coming into operation of the medical school at Memorial University. However, I do not think there are reliable statistics that would show there are too many medical doctors available in the Atlantic provinces of Canada, although there may be areas such as greater Halifax where there is as large a concentration of doctors per 100,000 people as you will find anywhere in Canada. I do not think we have reached the point yet where doctors are going around looking for patients, or are unemployed. Indeed, from the number of patients who are endeavouring to get an appointment with a medical doctor in almost any part of the Atlantic provinces, you would come to the conclusion there are not too many doctors.

The medical profession cannot be blamed for being interested in its own future. Doctors are beginning to see that they cannot have everything their own way today as perhaps they had 20 years ago, but that is another matter. I do not think the medical training facilities at Memorial University and Dalhousie University will provide an oversupply of medical doctors for many years to come.

The situation regarding dentists is, of course, far more serious. The Dalhousie Dental School was designed to handle only 24 dentists in a class, although they crowd two or three others in as well. This is not enough to provide for even the replacement needs in the four Atlantic provinces today. We have had plans, not to double our dental school, but to nearly triple it for many years. Indeed, the Health Resources Fund has had allocated from it for the support of a new dental school at Dalhousie the sum of $10 million by agreement with the four

Atlantic provinces going back some years now. However, we need greater sums than this. This $10 million is entirely federal money, although some of it is money allocated under the special Atlantic provinces allotment of the Health Resources Fund, and it requires the concurrence of the governments of each of the provinces in order for it to be used anywhere in the four provinces. As I said, the $10 million was earmarked for a new dental school some years ago, but the costs of such a school will run to 50 per cent more than this amount, and perhaps even more than 50 per cent.

• (1620)

The feeling of the Government of Nova Scotia is that the other Atlantic provinces should make some contribution toward these additional costs. They have as yet been unable to agree as to how or to what extent they should make such a contribution. So far as Dalhousie University is concerned, we have taken the view that we cannot raise $5 million or, indeed, any significant part of that for the construction of a new dental facility. With the public concern for the provision of health services these days, we feel that it is no longer possible for a private university to finance the capital and operating expenses for medical or dental education. I think it has to be plainly acknowledged on behalf of us Maritimers, or Atlantic province people, that so far as the Government of Canada is concerned it has done its part and made its contribution available from the Health Resources Fund, and we should get together and agree among ourselves as to how we will finance the balance of it.

The other part of Senator Graham's question had to do with the doubling of the school's present facilities. Much of the teaching of dentistry, I am advised by others more knowledgeable than I, depends upon the availability of clinical facilities. We cannot carry out a 24-hour day operation and provide enough clinical services. We would have to have enlarged clinical facilities. In training a medical student the clinical services are provided by the affiliated hospitals. In training a dental student the dental school must provide its own clinical facilities. I think it is impossible to enlarge our present class without enlarging those clinical facilities. Negotiations are proceeding far too slowly in so far as the members of the university are concerned, and far too slowly in so far as the interests of the people of the Atlantic provinces are concerned.

Hon. Mr. Burchill: May I ask a question relating to another phase of Senator Hicks' remarks? When he advocates federal grants directly to universities, and doing away with provincial government intervention, does he advocate the universities dealing directly with the federal authorities?

Hon. Mr. Hicks: I wish to be careful how I answer that question. Yes, I favour the federal government supporting the universities directly. Now, this might very well be through the Association of Universities and Colleges of Canada. Obviously the federal government is not going to make individual bargains with the 60-odd universities which exist in Canada today, but they could do it through the university association. I do not think it is necessary for them to do it through provincial governments; that is my point.

However, I think the provincial governments also have an interest in and obligation toward the universities in the province. The provincial government should also continue to support the universities to the extent that seems appropriate. Of course, this is where the different interests of the people in one part of Canada compared with another can be reflected. If the people of Alberta, for example, are more interested in excellent universities than the people of Nova Scotia, then the Government of Alberta could reflect that in the measure of support that it affords to the universities in that province. However, at the same time there would be a certain basic support which would be common throughout Canada for the universities in every province.

Hon. Mr. Deschatelets: Senator Hicks, you did not tell us whether Nova Scotia made a good deal in these arrangements while the three other Atlantic provinces made a different deal.

Hon. Mr. Hicks: Yes, Nova Scotia made a good deal, but the circumstances in Nova Scotia were different from those obtaining in the other provinces. We have a great many universities in Nova Scotia in proportion to our population and, until very recently, we had the largest proportion of university students, in comparison with our population, of any province in Canada. We have fallen back a little in the last few years. Nova Scotia's election to take transfer payments calculated on half the actual operating costs of the universities resulted in a higher level of support for Nova Scotia than would have been the case if we had chosen as the other three Atlantic provinces chose.

It is very interesting to note that in 1967-68 the range of federal support on a per capita basis—they did not all take it on a per capita basis, as I have explained—across Canada was from $15 to $27. Alberta received the most; the Atlantic provinces the least. It is estimated that during the current year the per capita range across Canada is from $35 to $55, with the Atlantic provinces and British Columbia bringing up the rear. The reason for British Columbia's being in this category is that its government has not seen fit to support its universities at as generous a level as the universities of Alberta and Ontario have been supported.

Hon. Mr. Rowe: May I ask one further question of Senator Hicks, and preface it by expressing my appreciation for the excellent summary—in fact, I would say one of the finest summaries I have heard—of the university situation. I can speak with a little authority on this because, as some honourable senators know, I was for a period of seven years in all the Minister of Education in Newfoundland, during which time we virtually created a new university in Canada.

In his advocacy of "nationalizing" the universities—I do not mean that in the accepted sense, but in the sense that more and more there would be an interchange of students and so on—I wonder if Senator Hicks also suggests that students who go from one province to another should enjoy the same financial assistance that a province grants its own students? I think, for example, of student aid in Newfoundland. We give free tuition to a goodly number of our students, and additional student aid to possibly 90 per cent, which varies from perhaps $100 up to a very substantial amount—$700 or $800 altogether. Would Senator Hicks suggest that if an Ontario student decided to go to Memorial, he should be given the same assistance by the Newfoundland government that Newfoundland students enjoy, and, if so, should this become a national policy?

Hon. Mr. Hicks: Senator Rowe, I did not go that far. I did go so far as to say that where federal government funds are used they ought to be available to the student from Ontario at Memorial on exactly the same basis as they are available to the students from Newfoundland studying at Memorial. My own personal inclination is to avoid any discrimination relating to the origin of students. I would like to see all student support made available to students wherever they come from, but one realizes that this could be carried to ridiculous lengths. Therefore, I would not think, speaking in this place, that it is up to me to say to the Governments of Newfoundland, Nova Scotia, Quebec or anywhere else, that they must offer their scholarships to students from outside their own province on exactly the same basis as they are offered to students from that province.

• (1630)

Ideally, the student should be supported first by a scholarship, in accordance with his intellectual excellence, and secondly by a bursary. We usually distinguish between scholarship and bursary, as Senator Rowe knows. The bursary is awarded in accordance with the student's financial needs. Neither of these should be related to geography.

At the same time, while I am anxious to bring about a large degree of mobility among students from different parts of Canada, I do not think we would want all Newfoundland students to elect to go to the University of British Columbia, and vice versa. It would be unhealthy if the majority of students at the honourable senator's university, or at my own, were not students from our own provinces.

In Nova Scotia we have had in the past a high proportion of students coming from most of the other provinces, but in recent years the number has steadily diminished. The situation is somewhat different in Western Canada. The number of students attending Western Canadian universities from outside has generally been smaller than those at Eastern universities. In my judgment, it would be unhealthy, in the interests of both Western Canadian universities and people generally if the number of out-of-province students in Western Canada should diminish further.

Hon. Mr. Cameron: I should like to make a brief intervention by congratulating Senator Hicks on a most valuable contribution to our thinking on university education in Canada. It was a magnificent presentation. In listening to his speech, I was concerned, as a member of the Standing Senate Committee on Science Policy, about a term which has been used rather loosely by the press. I refer to the alleged interference with and dismantling of the National Research Council.

This term has had wide circulation in the press. I wish to emphasize, as a member of the committee, and one who

has great respect for the accomplishments of the National Research Council, that there is no intention whatsoever on the part of the Standing Senate Committee on Science Policy to dismantle the National Research Council. On the contrary, by suggesting changes which we consider appropriate, we wish to strengthen it, and make it more effective.

Hon. Mr. Hicks: I may have been unduly influenced by press reports rather than a careful reading of the report, which I look forward to completing.

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

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 15, 1973

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

Prayers.

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

The Hon. the Speaker: Honourable senators, as previously announced, the Minister of Finance will deliver his budget speech in the other place on Monday, February 19, at 8 o'clock in the evening.

May I be permitted to remind the 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 this practice has been followed ever since by succeeding Speakers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of Canadian Arsenals 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 copy of Order in Council P.C. 1973-281, dated February 1, 1973, approving same.

THE SENATE

DISPLAY OF CANADIAN FLAG IN CHAMBER

Hon. Léopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(h), I have the honour to move, seconded by Honourable Senator Flynn:

That the Honourable the Speaker be authorized as of February 15, 1973, to display the Canadian flag in the Senate Chamber in such location as she chooses.

Hon. Senators: Hear, hear.

Motion agreed to.

[*Later:*]

Hon. Mr. Deschatelets: I should like to ask the government leader a question concerning the motion we adopted a few moments ago with regard to displaying the flag in the chamber on special occasions. Has any thought been given to displaying the flag at all times?

Hon. Mr. Martin: The flag will be displayed at all times.

Hon. Mr. Deschatelets: The motion was read quite fast and I was under the impression that it said on special occasions.

Hon. Mr. Martin: No; at all times, every day.

The Hon. the Speaker: Do honourable senators wish me to put the question again?

Hon. Mr. Martin: Senator McIlraith has something he wishes to say about the wording of the motion.

Hon. Mr. McIlraith: Honourable senators, as I heard the motion, I understood it to read that the flag would be displayed as of February 15. My understanding of what was intended was from and after February 15.

Hon. Mr. Langlois: That is right.

Hon. Mr. Deschatelets: I now have the motion, and the word "location" is quite clear. I heard "on such occasions."

Hon. Mr. Langlois: That is my fault.

• (1410)

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Foreign Affairs have power to sit while the Senate is sitting today and that rule 76(4) be suspended in relation thereto.

Motion agreed to.

INTERNAL ECONOMY

NOTICE OF MOTION

Hon. Mr. Molgat: Honourable senators, I give notice that at the next sitting of the Senate I will move:

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.

Hon. Mr. Flynn: On a motion like that we would have given leave to proceed today.

Hon. Mr. Martin: That is very generous.

Hon. Mr. Beaubien: Could I ask Senator Molgat whether the Internal Economy Committee has met yet?

Hon. Mr. Molgat: No, it has not, but an organization meeting is expected to be held soon. This motion is required so that the committee can proceed with some work at its first meeting, if necessary; otherwise, the first meeting would be for organizational purposes only.

CONSUMER CREDIT

SPECIAL JOINT COMMITTEE—QUESTION

Hon. Jacques Flynn: Honourable senators, I am not certain whether I should put this as a question or an inquiry. I know that the government leader does not have the information handy. It may not be a verbal question, and I apologize if I am in error.

I should like the Leader of the Government to table a statement covering salaries and expenses incurred by professional personnel, such as counsel and accountants, retained by the Joint Committee on Consumer Credit which sat and made a report about 1965-1966.

Hon. Mr. Martin: I will see that it is done forthwith.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Senator Cameron for the second reading of Bill S-2, to amend the Criminal Code (control of weapons and firearms).

Hon. Mr. Macdonald: Honourable senators, I wish to yield at this time to the Honourable Senator Rowe.

The Hon. the Speaker: Has Honourable Senator Rowe leave to proceed in place of Honourable Senator Macdonald?

Hon. Senators: Agreed.

Hon. Frederick William Rowe: Honourable senators, perhaps the most comprehensive survey ever made on the problem of private arms was that done by *Time* magazine in its issue of June 21, 1968. I strongly recommend that all those interested in this matter at the present time refresh their memories by reading that article again. The library will gladly make copies of it available, as it did for me this morning.

This article outlines the incredible abuses in the United States associated with private arms, and the equally incredible lengths to which the private arms industry, through its spokesman or its agent—unofficial agent—the National Rifle Association, is prepared to go to protect its profits by discrediting and opposing all efforts to introduce some effective controls in the Congress of the United States.

I should observe at this time that *Time* magazine has never been regarded as a communistic publication, nor as an advocate of wild-eyed radicalism and fanaticism.

I must take complete issue with our respected colleague Senator Manning on this question. Statistics, in any part of the world where they have been compiled, impartially show the same result. Those countries or societies which have the most stringent gun control laws have fewer murders. Another way of putting it is that the fewer the guns in circulation, the fewer the murders.

It is totally unnecessary for anyone to argue that murders can be committed in other ways than by shooting. Stabbing and strangling are methods that have been used over and over again, and will continue to be used. No one has yet disproved the simple fact that the most convenient, effective and efficient way to commit murder is with a gun. Surely it is not merely coincidence that every leading figure assassinated in the United States since 1865 was killed by a gun of one kind or another. Lincoln, Garfield, McKinley, John Kennedy, Robert Kennedy, Dr. King and Malcolm X were all killed by guns. It is also not a coincidence that virtually every attempted assassination of a leading public figure has been through the medium of a gun. With Roosevelt, Truman, Wallace in recent times, and others, all attempts involved guns, not knives, not bare hands.

• (1420)

I have knocked around the world a fair amount, and if I had to be confronted by a crisis involving my life, given the choice of being faced with bare hands which were trying to strangle me, a knife or a gun, which would I prefer, which would I be most afraid to be confronted with?

A factor that seems to be left out of our consideration is that every community or society, no matter how stringent the regulations, no matter how strong the laws to protect human life, has always had, and will continue to have, what one might call a basic number of murders. These murders are usually domestic in origin, the commonest one perhaps being typified by the traditional picture of the husband who catches his wife in a compromising situation and seizes the first weapon at hand, or if there is no weapon uses his own hands, to dispatch her. The other type of murder in this basic group or reservoir of murders, as I have called it, results from paranoia of one kind or another, from psychiatric aberrations of one kind or another. Included among these are most of the so-called sex murders. I regret to have to say that also included in this basic group—although I do not think it should be; I think it is a national disgrace in Canada that it is there—is the large number of helpless and innocent children who are battered to death by their parents or by other close relatives. Since we are apparently not prepared to do anything about that we must, I presume, continue to regard those murders as being part of that basic group which will continue in our society.

If we ever attain Utopia we will still have some of these murders. Most of them cannot be anticipated, and most of them are unpreventable.

In the American society today the murder rate has risen out of all proportion. Obviously, there must be factors other than those I have referred to, the basic ones resulting from domestic discord, paranoia and psychiatric aberrations. For example, in 1971, in Detroit—which I cite because it happens to be the nearest big American city to Canada—there were 20 murders for every murder committed in Toronto, a couple of hundred miles away. Why? I know that the social climate in Detroit is different from that of Toronto, but we do not have to stick to Detroit. Why does Houston have so many more murders per capita than Vancouver? In Baltimore which is smaller than Montreal, there were ten murders for every murder committed in Montreal.

I am sure one could find many answers to these questions, but there are certainly two facts which stand out above all others. First, taking Detroit, the ratio of guns in

circulation in Detroit, as far as can be ascertained by competent investigators, as compared with guns in circulation in Toronto, correlates almost exactly with the respective murder rates in those two cities—20 to 1.

But there is a far more important factor at work. The number of murders, not just in Detroit but in all major American cities, is in almost direct proportion to the number of hard drug addicts. Again, the ratio of hard drug addicts in America, as against Canadian cities, is almost precisely in the same ratio as the murder rate in those cities. Surely it is not an accident when the ratio of guns in circulation, the ratio of drug addicts, and the ratio of murders in American cities as compared with Canadian cities is so exact?

I tried just a year ago here in this chamber to sound a warning in this matter. I said then that with conditions as they are in American cities, it is only a matter of time before our hard drug addiction rate would rise. Events of the past year have validated that prediction. It gives me no pleasure to say something which is known to all honourable senators. The hard drug addiction rate in our cities has risen. I said also at that time that the murder rate in our cities would rise in direct proportion with the hard drug addiction rate. The latest figures, as we saw today, indicate that this also is happening. These three things go hand in hand—availability of guns, hard drug addiction, and murder.

We are living in a fool's paradise if we think that with our present policies here in Canada we can escape the fate that has overtaken so many American cities, which have become jungles and where life for the innocent and law-abiding citizens has become a nightmare. Give a gun to a hard drug addict, and you may have given a gun to a madman no more responsible for his actions than is the most serious sexual psychopath locked up in one of our institutions. This explains why so many robberies now result in irrational murders. There was a case recently in Washington where a respected senior citizen, a senator, was robbed of $5 or $10 just outside his own home. The two young robbers took his money and said they were going to kill him. They shot him, but as far as I know he is still alive, unless he died in the last twenty-four hours. This was a completely irrational act, with no explanation for it. The police commissioner in New York, and every police commissioner in the United States, reports that the murder rate has gone up in proportion to the hard drug addiction rate. That is the explanation.

• (1430)

These are not rational human beings out merely to rob in the sense that someone would pick your pocket or try to rifle something out of a supermarket. These are madmen and, in some cases, madwomen, who are not responsible for their behaviour because they are under the influence of hard drugs.

One of the most frightening aspects of this whole situation—and this is the last aspect of it that I intend to deal with today—is that once more we have here an example of big business, as represented by the multibillion-dollar private arms industry, being prepared to go to any length to protect their investments and their profits.

But we should not be surprised by this, because we have seen examples of it in other fields. For instance, there are the drugs that come from the so-called legitimate drug industry. I am not talking about the Mafia. The people in that "legitimate" drug industry are prepared to put improperly tested drugs on the market and they will fight like maniacs to keep those drugs there, in spite of the demonstrated fact that those drugs might cause suffering and death among the unsuspecting population.

Even today, for example, we still have these drug companies hanging on desperately to their practice of putting on the market for children deadly drugs in the form of candy. I did not mean to refer to this, but last week it happened that in my own family my two-year old grandchild got access to a bottle of candied drugs. I realize that you might very well say that he should not have been able to get access to them, but it happens even in the best regulated homes. In any event, he got access to the bottle of candied drugs and within a minute or two had devoured the entire contents. Only the alertness of his mother and the purely good luck of having a hospital within five minutes of their home so that he could be there and within 20 minutes have his stomach pumped out are all that saved him from becoming one more casualty on the altar of profit. And that is all it means—one more casualty! Between 300 and 400 children died in the United States last year from the same cause. The drug companies know that.

And look at the tobacco industry. I am not talking about the humble grower of tobacco who is the victim of circumstances, but I am talking about the great multibillion-dollar tobacco interests. Nor are these companies confined to the United States. Have these great corporations spent tens of millions of dollars in trying to find a cure for cancer, in trying to eliminate the injurious ingredients from tobacco? No! They have spent tens of millions of dollars in trying to discredit the legitimate findings of medical science in every country of the world. They have spent that money in trying to discredit those results, in trying to prove them to be untrue. They have finally given that cause up, but they are still continuing to spend—and I say this deliberately—hundreds of millions of dollars every year to seduce our young people into smoking. They link up smoking with romance and sex, virility and athletic prowess and other things that young people consider desirable and are interested in. Hundreds of millions of dollars are being spent by them this year for that purpose.

The motor car industry is another example of what I am talking about. Over and over cars have been put on the market with known lethal defects, defects that could have been removed. But these people have put the cars on the road knowing that they were going to cause human suffering and death.

Honourable senators, no one knows better than I do that big business is not automatically immoral and irresponsible. We have many examples of morality and responsibility in big business right in our own country. I am happy to say, but I want to state with all the emphasis at my command that while I believe in democracy and I want democracy to work, because my people just like your people have worked, suffered and in some cases died to preserve that democracy, the irresponsible and totally immoral practices of some of those great corporations—for example, the drug companies—are such that they are

just as guilty of pushing their so-called legitimate addictive drugs as is the lowest and most reprehensible mafia agent in Harlem today. They are pushers making money out of the blood, misery, suffering and in some cases death of human beings who become addicted to those drugs because, honourable senators, drug companies are pushing them on an unsuspecting public. There are people going into drugstores today and coming out with these drugs whom you could not under any circumstances persuade to experiment with heroin or LSD. Nevertheless, they are becoming addicts. Therefore I say that these great corporations represent a far more serious threat to our democratic way of life than does any other factor.

No one who has followed in recent years the acquisition of power by big business in the United States should fail to realize that that great nation, with which our own destinies are so inextricably intertwined—and it gives me no pleasure whatever to say this, and I hope I am wrong in saying it—has all the ingredients necessary for becoming, and indeed at this very moment may be in the process of becoming, a fascist society. While this may be a pessimistic point of view, I feel that we as a nation would be most derelict in our duty if we simply shrugged our shoulders and failed to take note of what is happening in that country, or failed to take appropriate action here to prevent the disintegration that can take place in Canadian society as it is at this moment taking place in American society.

Hon. Mr. Davey: Honourable senators, may I ask Senator Rowe if he would again identify the issue of *Time* magazine he has referred to. I should also be interested to know if the article contained the relevant Canadian statistics.

Hon. Mr. Rowe: It is the issue of June 21, 1968. I went through it this morning and to the best of my recollection there are no specific Canadian statistics. There are incidental references to circumstances and situations in other countries, but no specific reference to Canada.

On motion of Senator Macdonald, debate adjourned.

• (1440)

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Tuesday, February 13, the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Hazen Argue: Honourable senators, I am pleased to be able to make a contribution in this debate and to underline some of the adverse effects that high and discriminatory freight rates are having at this time in Western Canada.

We have heard much about Western alienation. We have heard recently, particularly in the Prairie provinces, much about people being anti-Ottawa and being upset by the kind of treatment they have been given. One of the sorest points is the continued increasing discrimination regarding freight rates and their effect on Western Canada.

I am pleased that the Minister of Transport, the Honourable Jean Marchand, early in January used his good offices to persuade the railway companies to postpone an imminent increase in the freight rates. He is to be commended for taking this action. As a Westerner, I am also encouraged by some of the steps the government has taken regarding Western Canada. I am pleased that the Honourable James Richardson, on every occasion where he has had the opportunity, has spoken loudly and effectively on behalf of Western Canada.

I am pleased that the Honourable Otto Lang, in dealing with the grain situation in Canada, particularly on behalf of the producers in Western Canada, has had most outstanding success in selling our grain at the most acceptable current prices. Nonetheless, I think it is well that the Senate should be aware of some of the discrimination that currently applies regarding freight rates. One look at economic measures and I can think of no single greater action that the federal government could take than to remove some of the discrimination regarding freight rates in an endeavour to help Western Canada. Nothing would be greater than this.

I have a few examples of the kind of discrimination about which I speak. Railway revenues per ton mile for moving iron and steel products from Eastern Canada to Regina and Saskatoon are respectively 131 per cent and 134 per cent higher than are the rail revenues per ton mile generated on similar movements to Vancouver. No wonder it is difficult for companies to operate in the Prairie provinces when they have to pay for iron and steel products rates so much higher than those that are paid for shipments between Eastern Canada and Vancouver. Saskatchewan has pointed out that it is difficult for pulp and paper industries in that province because of the discriminatory freight rates. For example, to ship pulp from Prince Albert to the East the ton rate is 60 cents more than from Hinton, Alberta, or from Kraft, British Columbia, to the East; but the differential becomes higher by $3.80 per ton and $4.80 per ton respectively for shipments from Prince Albert as compared to shipments from Hinton, Alberta, and from Kraft, B.C., to U.S. Pacific markets.

Those are a couple of examples of the discriminatory freight rates against which producers must operate their businesses in the Prairie provinces.

Saskatchewan has a potash industry. The market has been somewhat restricted in recent years. Freight costs are exceedingly high in relation to the value of potash. There was an increase in freight rates for potash of 70 cents a ton in June of 1972. The potash producers complained that the railways should not have charged this additional rate. They pointed out that they had an agreement with the railway companies at the previous rate. The agreement was that the railway companies, in cars supplied by the potash industry, would have a turnaround time of 12 days at the West Coast. Instead, the turnaround time was from 17 to 18 days. The original agreement between the potash industry of Saskatchewan and the two large railway companies in Canada was that this rate would apply on a single car shipment basis. The potash

industry pointed out that the railways, operating efficiently as they have been, have taken potash to the West Coast in unit trains and therefore have made substantial savings for themselves by this operation. They feel that because of these two factors—the longer turnaround time and the savings by taking potash in unit trains—this 70 cents a ton increase should not have taken place. Freight rates absorb 49 per cent of the selling price. These increases make it difficult for industry in Saskatchewan as well as in other parts of the Prairie provinces.

Manitoba presented a brief on freight rates. I am quoting a couple of sentences from the *Winnipeg Free Press* of February 3, 1973:

> Rates on iron and steel products from Selkirk to Vancouver are identical to those from Montreal to Vancouver, although the Montreal-Vancouver haul is twice as far.

So it is easy to understand why it is difficult for industry in Selkirk to compete with industry in Eastern Canada.

The brief also points out something that I think is most serious, and that is that the freight rates for livestock should be lowered between Calgary and Winnipeg to make possible the slaughtering of cattle in Winnipeg rather than shipping it to Toronto or Montreal for packing.

> Manitoba is concerned that the railway companies are facilitating a transfer of packing house activity from Winnipeg to Toronto-Montreal as a result of rate disparities.

• (1450)

We have had a major packing industry on the Prairies, but it has been disappearing in many places during recent years. The Burns company at Regina announced a year or two ago that it was closing down its operation. It was only after a great public struggle that this operation was kept going, at least on a temporary basis. Western Canada feels it should have an opportunity to industrialize. The way freight rates are affecting that part of the country, it is becoming increasingly difficult for industry to maintain its operations there, so that we are in danger in many instances of losing those few industries that we now have in the Prairie provinces.

A hearing is proceeding before the Canadian Transport Commission with regard to freight rates on oilseed and oilseed products.

The following appeared in the *Winnipeg Free Press* of April 25, 1972:

> The Saskatchewan Wheat Pool, Agra Industries Ltd. of Nipawin, Sask., Co-Op Vegetable Oils Ltd. of Altona, Man., and Western Canadian Seed Processors Ltd. of Lethbridge are appealing freight rates applied on rapeseed oil and meal in relation to charges for unprocessed rapeseed.
>
> The applicants say rates on these products are 50 to 100 per cent higher than charges on shipping unprocessed rapeseed to the same markets for finishing.

They point out that if these rates are not adjusted there is a great danger of the oil-processing industry on the Prairies being transferred to Toronto. The report goes on to say:

> Bulk rapeseed can move from Thunder Bay to Montreal for 44 cents per hundredweight while rapeseed oil going from Saskatchewan to Montreal has a rate of $1.10 per hundredweight and meal costs about $1 per hundredweight.

So that the Prairies are certainly disturbed and up in arms about the continued discrimination in freight rates. The loss of industry is serious. A loss of industry contributes to a loss of population. A loss of population contributes to a loss of political power and a loss of political power contributes again to a further loss of industry and further loss of population. Statistics will show that Saskatchewan, my own province, will experience prosperous times for the next few months and, perhaps, the next year or two, because of higher prices for agricultural products. As a province, however, as a place where one would like to see the population grow, as a place where one would like to see towns and cities grow, I tell my friends in the Senate that Saskatchewan is a sick province. Saskatchewan is very sick economically and, no matter what the housing starts may be in Regina or Saskatoon, these two largest cities of Saskatchewan are basically at this time no-growth centers. They are not growing; they are not expanding, they are standing still. The last figures I saw, which are about a year or so old, indicate that Regina grew by 1,000 in population and Saskatoon lost the same number, or a little more, so that there is no growth when the two cities are combined.

The small communities in Saskatchewan are literally disappearing off the map; they are no longer there. Even the somewhat larger places are having a hard time and their population is decreasing. It is therefore urgent, particularly for Saskatchewan but also for Manitoba, that action be taken soon to see that the unjust burden of freight rates is changed so that industry in that area will have at least a chance.

The talk of freight rates is as old, I guess, as Canada. For a long time there was control by a federal body of freight rates in general that railways could set in Canada. This has changed since 1967, however, mainly because of the recommendations of the MacPherson Royal Commission which was set up when the Right Honourable John G. Diefenbaker was Prime Minister. Those recommendations were carried out. They said, "Let the railways set their own charges; let competition come in and this will make the best possible state of affairs."

So now the CNR and the CPR are masters of their own rates. They simply file with the Canadian Transport Commission a 30-day notice of intention to increase their rates, and under the law they do so as they see fit. I would suggest that this enormous power in the hands of the railway companies in Canada today should be controlled or taken away. The Honourable Jean Marchand, I would hope, has made a first move in this direction by using his influence to prevent an increase in railway freight rates within the last few weeks. It is easy to see from figures that have been produced recently what happens when an area such as the three Prairie provinces is not growing as it should, when the Maritimes and other parts of Canada are having difficulty in growing as they should.

We come to the point now where in 1972 Ontario had 140,000 of the 250,000 new jobs created in Canada. That is

over half of the new jobs in Ontario and less than half for all the rest of Canada. Unemployment dropped in Ontario from 5.2 per cent in 1971 to 4.8 per cent in 1972, the only Canadian region to experience a decline in the jobless percentage. More and more industry to Toronto, more and more activity in Toronto. Siphen off the industry from the Maritimes and the Prairies and we are making Canada to a very major degree a one-province country or, at best, a two-region country. One region is Ontario and the other is all the rest of Canada. Action is required now to see that industry has a chance to grow in other parts of Canada as well as in Ontario.

Another question which I would like to raise in this general field as it applies to Western Canada is a ticklish one and politically sensitive. The government will have great difficulty in coming to a solution that is fair to all. This can be, I think, best demonstrated by the difficulty within the Canadian Federation of Agriculture itself, where producer organizations from Ontario and Quebec have taken a stand very much opposed to the position taken by farm organizations from the Prairies—so much so that delegations walked out of a recent Canadian Federation of Agriculture meeting.

• (1500)

A long time ago it was decided by national policy to provide a measure of freight rate assistance to feeders in Central Canada and the Maritimes by paying part of the freight of feed grains coming east from Western Canada. I think that policy has served a purpose. Perhaps the feeders in Central Canada and those in the Maritimes required some action to make their lot a little easier. However, we should also take a look at what may be the future effect of, shall we say, granting payment from the federal treasury of all freight costs, as is being asked, so that feed costs on the Prairies are identical with feed costs in Ontario, Quebec and Eastern Canada, and see what that does to the agricultural industry on the Prairies, whether it distorts the agricultural industry, and whether or not we want to go far along this road.

I have been pointing out this afternoon the way that discriminatory freight rates have made it impossible for us to have industry on the Prairies, and are in fact threatening the steady removal of the industry we now have to Toronto and Central Canada. Where we have built up a livestock industry, partly because it was economic in relation to the freight rates of this country, it seems to me there is a great deal of pressure on the government to pay more freight rates, to pay more subsidies, so that these prices can be more equal. This, too, in reverse may cause further difficulties for producers on the Prairies, and for Prairie economy generally.

Over the years I have heard a great deal of criticism from colleagues in the other place, and here to a lesser extent, of farmers on the Prairies, when it has been said, "Oh, these farmers just want to produce grain. They all want to work a few months in the summer and then go to Florida and California for the winter." To hear these statements one would think there was no one out on the Prairies today, that they were all in Florida or California. I have to stop and try to think of one or two people who might be on holiday today, which of my neighbours are in the southern United States. Of all the hundreds of farmers I know, I can think of only one who is down there, and he lives a hundred miles away from where I do. So I think the percentage is much less than the holidaying among parliamentarians.

Hon. Mr. Martin: Some people make the same untrue accusations about certain senators, and it is very unfair.

Hon. Mr. Argue: That is right.

Our farmers have gone into the livestock business to quite an extent. They are producing hogs and beef cattle. They feel it is perhaps a good thing to finish cattle in the country where the grain is produced, that this should be an economic thing for the country; that perhaps it is not the most economic thing, or should not be the most economic thing, to transport the grain a thousand or two thousand miles and finish the cattle in another locality.

There is the additional real danger of the agricultural industry itself, in a relative way, being removed or transferred from the Prairies to Central Canada. One of the huge advantages the agricultural industry has in Central Canada is the large populations of Montreal, Toronto, Ottawa and other big cities; they have the advantage of being very close to a large consumer market. This gives them a substantial advantage over producers on the Prairies. For example, two days ago in Regina producers were being paid for Grade A large eggs 47 cents a dozen; in Toronto producers were being paid 61 cents a dozen. That is a very substantial price benefit for producers in this area. This week in Toronto top grade steers have been selling for $43.44 a hundredweight. In Calgary they have been selling for $40 to $41, which is a $3 per hundredweight advantage to producers of cattle close to Toronto. The same $3 differential applies to hogs.

The Honourable H. A. Olson, who a year ago was Minister of Agriculture, presented a paper in which he showed the higher cost of feed and the higher market prices in Central Canada, the lower cost of feed on the Prairies and the lower prices for finished animals being marketed. His conclusion, and that of the experts who drew up this paper, was that the advantages to a producer on the Prairie relative to one in Central Canada were almost identical, that if you were producing beef and hogs close to Ottawa you got a higher feed grain price, but when you sold them you got higher prices for the animals. A year ago the two things were almost in balance, according to the experts and officials. If that is the case, as I think it is, then any additional move to further increase freight subsidies on grains coming east must distort this picture, and must give a relative advantage to those in Central Canada.

Senator McNamara knows the pricing policies of the Canadian Wheat Board over the years. However, I have made inquiries, and I find that the pricing policy of the Canadian Wheat Board today is to sell feed barley in Central Canadian markets at 20 to 25 cents a bushel cheaper than the Wheat Board receives for the same barley on the export market. Since the Wheat Board is a pooling operation, all this means is that the barley producers on the Prairies are today being paid for the barley they produce and have sold in Central Canada 20 cents a bushel less than they are paid for their barley going on the export market.

It is one thing for the Government of Canada to bonus, to subsidize, a part of Canada, which often should be the case, but it is a very questionable practice for the producers of one part of Canada to be required themselves to subsidize producers in another part. My information leads me to believe that in the production of barley this is being done today by over 20 cents a bushel. When farmers are given the fortuitous advice, "Don't produce so much wheat. Stay in barley production," steps will have to be taken—I think this is elementary—to show the farmers that it is economically just as profitable for them to produce barley as to produce wheat.

• (1510)

I am sure that the Prairie producers will produce all the barley that this country requires, if they have a price for barley that will give them something of the same return as they got for wheat. I suggest to you that if they are going to be required to bonus part of their industry in some other part of Canada, we may wind up with a very severe feed grain shortage in Canada within the next few months.

What happened to agricultural production on the Prairies over the years? We have had a dairy policy that said that the small dairy producers should not receive a subsidy, that one had to be a middle-sized dairy producer or a huge one to get a subsidy for butterfat, or industrial milk—so these subsidies for the small producer were removed.

In 1955, there were just over two million dairy cows in Ontario and Quebec; in 1970 there were just over 1,900,000 dairy cows in Ontario and Quebec. In 1955 there were 788,000 dairy cows in the three Prairie provinces, and in 1970 this had decreased to 431,000. So the dairy industry in the Prairie provinces is being shut down to a substantial degree because of the lack of consumers and large cities on the Prairies, and further because of a policy which took away the price support on butterfat from the small producers. Incidentally, on the Prairies, butter production, creamery production, was mainly from small producers.

Take the chicken industry. In 1955 there were 35 million hens and chickens in Ontario and Quebec; in 1970 this number had grown to 53 million, an increase of 18 million. The three Prairie provinces in 1955 had 22 million; in 1970, 26 million. In other words, the chicken production has shifted in a very substantial way from the Prairie provinces to Ontario and Quebec. No doubt again this is because the very large consumer population is in this part of Canada; nonetheless, it has reduced the opportunity for production in this field on the Prairies.

Turkey production used to be quite an industry in the Prairie provinces. In 1955 there were 1,600,000 turkeys in Ontario and Quebec; in 1970 there were 6,100,000 almost four times the number. In the three Prairie provinces, the total of turkeys in 1955 was 1.7 million; in 1970 it was 2.4 million, a very modest increase of some one-third as against the fourfold increase in turkey population in Central Canada. I am pointing out the difficulty the Prairies have in maintaining industry, in getting new industries, and in maintaining diversified agriculture.

Honourable senators, I suggest that Senator Cameron has done a good service in presenting this motion to the Senate. I would think that an inquiry might take place. The time may have arrived when the Government of Canada should appoint a royal commission. After all, it appointed a Commission on Bilingualism and Biculturalism when there was great difficulty in the province of Quebec, and I think it was wise to have done so at that time. Perhaps the government should consider appointing a royal commission at this time to consider the grievances of Western Canada, to consider the economic disadvantages of Western Canada, and to see if we as a nation can come up with new policies that will give the people on the Prairies a chance to share in the general prosperity of our nation.

Honourable senators, I do not wish my remarks in relation to change, and the relative transfer of the dairy industry from the Prairies to Central Canada to be taken as any attack on the producers of Ontario and Quebec. They have pointed to difficulties in their operation, but I think the point of view of the producers in the Prairies should be looked at as well so that in any policy with regard to agriculture and to industry we may arrive at solutions that will treat the people on the Prairies fairly and equitably, and that will give the people in that part of Canada a chance to grow, prosper and share in the production of this country.

I congratulate Senator Cameron on having made this debate possible. I hope the Senate itself will come to some conclusion so that we may take some positive steps that will result in fairer freight rates to all the remote parts of Canada.

Hon. Mr. Benidickson: Honourable senators, I was very impressed by the speech of Senator Argue. He mentioned a royal commission. Does he think there would be any merit in his own committee, the Standing Senate Committee on Agriculture, going in greater depth into some of those problems, or would we be ignored?

Hon. Mr. Argue: Honourable senators, we represent all parts of Canada. Half of the membership is from the East and half from the West, so I suppose the committee could take a look at these difficult agricultural problems, and policies and freight rates, if it wishes to do so.

I certainly would not be opposed to that. Perhaps we could come up with some recommendation which might be of help. As far as the question of freight rates is concerned, I think this might be beyond the scope of a committee dealing with agriculture. Freight rates, in general, are a matter of transportation policy. While we would have a great interest in what might be done and what might come out of it, I would certainly think it is beyond the scope of the Agriculture Committee as now constituted.

Hon. Mr. Langlois: Why not appoint a special committee on this?

Hon. Mr. Argue: A special committee might serve a useful purpose. I would think that the Agriculture Committee is not the vehicle for it, although it might take a look at the section that applies to agriculture.

Hon. Mr. Langlois: You would be the man for the job.

Hon. Mr. Forsey: I was about to ask Senator Argue a somewhat similar question, with a slightly different angle

to it. I understood Senator Cameron to suggest in his speech that this matter might be followed up by an inquiry by our own Committee on Transportation. I wonder whether Senator Argue feels that there are particular advantages in having this done by a royal commission rather than by a Senate committee, whether it be the Standing Senate Committee on Transportation and Communications, or a special committee as Senator Langlois has suggested. It is not clear to me that there are advantages in having a royal commission. It seems to me that it might be much more expensive to the taxpayers, and perhaps rather less useful, than an inquiry in depth by a properly constituted committee of the Senate.

• (1520)

I should like to know whether Senator Argue feels there are special advantages in having a royal commission deal with the matter and, if so, what he thinks they are in comparison with having the work done by a Senate committee.

Hon. Mr. Argue: A royal commission might perform a very useful service and its recommendations might be of great value to Canada. In trying to answer your question, Senator Forsey, I say that I feel a royal commission could do the job, but I am certainly not opposed to the Senate's doing it. In fact, I am convinced, if there are senators who wish to devote the amount of time, research and labour involved in this kind of inquiry and they are prepared to do it, that the Senate would be a good place to do it.

I have great faith in politicians. I know they are often in ill repute, but I have a great faith in them. We have some politicians in the Senate and we have some senators who are not politicians, but if a committee of the Senate could get the kind of research back-up and expertise that is required, there are senators who have a sense of the country and a sense of the public will and desire, as well as a sense of politics, who could probably bring in a report that would be even more practical than one brought in by a royal commission.

Perhaps Senator Forsey would have to decide this, but if the Senate itself is prepared to do it this way I, for one, think that the results would be as satisfactory as if the study were done by a royal commission. But it is not for me to say whether the Senate is prepared to do it.

Hon. Mr. Graham: Honourable senators, I, too, wish to congratulate Senator Argue on the thoroughness of his research and the excellence of his presentation. As I recall, he stated that the Canadian railways were masters of their own destiny and that all that was required to increase rates was for the railways to give 30 days' notice to the Canadian Transport Commission. This leads me to ask the question: Just what is the function of the Canadian Transport Commission, and what control does it have in a situation of this kind?

Hon. Mr. Argue: I am no expert on this subject, but I think the purpose of filing the notice is to determine whether there is anything in a legal sense that would be unfair or improper. But having posted it publicly, they have the right to proceed. As I say, I am no expert on what is involved here, but they have to tell the public what they are going to do. The commission is not in control of freight rates any longer.

[Hon. Mr. Forsey.]

Hon. Mr. Forsey: May I ask another question of Senator Argue? Is there no provision for appeal when these rates are filed? In fact, I rather thought Senator Argue made some reference to an appeal launched by some organization or organizations in the West. I wonder if he could clarify that for me.

Hon. Mr. Argue: I don't think I should put myself forward as an expert on the legal aspects of transportation. I will have to do some more research before I can endeavour to answer those questions.

On motion of Senator Langlois, debate adjourned.

PEARSON COLLEGE OF THE PACIFIC

Hon. John Nichol: Honourable senators, I rise on a question of personal privilege to make a statement on a matter which I believe will be of interest to all honourable senators.

In recent days there has been some considerable public debate about the form which memorials to the late Right Honourable Lester B. Pearson might take. An informal committee has been set up at the request of the Pearson family, chaired by the Honourable Jack Pickersgill, to look into the various proposals which might be put forward. There is one proposal, however, which was very close to the heart of Mr. Pearson, and which is coming very quickly to fruition. I refer to the United World Colleges project.

Hon. Mr. Benidickson: Is that to be in British Columbia?

Hon. Mr. Nichol: Yes. If I may, I should like to go back in time for just a moment. Many years ago a college was set up in Wales called the United World College of the Atlantic, to which students went on scholarships from all over the world to study together. They were from 20 to 30 different countries. Courses are taught in 11 different languages at that school.

Mr. Pearson was very impressed with this project, and the hope which it held out for better understanding among young people around the world. To that end, several years ago he became honorary chairman of a committee to investigate the possibility of establishing such a college in Canada. On that committee several members of this chamber served: Senator Aird, Senator Cameron, our Speaker, Senator Fergusson, Senator Norman MacKenzie, Senator Molson, and myself. We were joined by 20 or 30 other people from across the country in investigating this subject.

After Mr. Pearson's death, Mrs. Pearson picked up his interest in this institution. It is now to be built at Pedder Bay on the West Coast of Canada, on an inlet at the southern tip of Vancouver Island which looks across the Straits of Juan de Fuca to the Olympic Mountains in the state of Washington. It will be called the Pearson College of the Pacific.

I have been asked to be the chairman of the board of governors of the college, and I have accepted. It is going to be my responsibility to build this institution so that it can open in the fall of 1974.

The headmaster of the institution will be Jack Matthews, who was until recently the headmaster of Lakeview School near Peterborough. Mrs. Pearson has agreed to be the honorary chairman of the Canadian committee of the United World Colleges, replacing Mr. Pearson in that position, and His Excellency the Governor General has graciously agreed to be a patron of the committee.

Honourable senators, if I may just take a moment more of your time I shall tell you something about the institution. To begin with, I should tell you what it is not. It is not a private school for the children of rich people. We are aiming for a 100 per cent scholarship enrolment. We realize that this is extremely difficult, but that is what we are aiming for. We estimate that when the institution is running fully it will have 300 students, of whom 75 per cent will be from countries other than Canada. It will be coeducational. It will be built to reflect the fact that it is a Pacific college, facing the Pacific, and it will attempt to recognize the changing directions in which Canada faces. We hope to have students from all countries of the Orient and the other countries of the Pacific Rim, between the ages of 16 to 18, who will come and study together, to learn about each other's cultures, and hopefully to build some bridges of understanding that will do something for peace in the world.

• (1530)

The architecture will be quite unlike normal institutional architecture. There will be single-storey and two-storey buildings, built around squares and small pathways, probably of western red cedar with cedar roofs reflecting the Oriental architecture which is already evident to those of you who know the West Coast. In any event, we want through architecture to try to create an environment which will make these people from various places around the Pacific Rim feel at home. We are not constructing an institution of granite walls, ivy, and stained glass. We are constructing something which will enable these people to relax and think rather than concentrate on buildings and bricks.

The institution will be one of service, and the students will be involved with the community in which they live. They will be involved in lifeguard duties on the coast, pollution fighting, and all kinds of other community services within their environment. These will replace the traditional extracurricular activities to a great extent. For that reason sports and activities of the usual nature are not likely to be a dominant feature of the institution, particularly since many of the students will come from places where they engage in entirely different sports. The students will be encouraged to work in the community and to learn about each other in that way.

I am sure many honourable senators have questions to ask, but I want to draw attention to one or two other items. We are now almost in the position of owning the land. We have our committee functioning, and our people in position. We have our building chairman, our financial administrator, and a fund-raising program is under way. I might add that those of us who are working on it are very excited about it.

As honourable senators are aware, we are speaking now of the great things in which Mr. Pearson believed—people, friendship, understanding, and the brotherhood of man throughout the world. We intend that this shall be a Canadian institution, and not merely a transplant of the British institution. It will be a Canadian institution, built in Canada, situated in the West and facing the Far East. In this way it will reflect the things in which Mr. Pearson believed, and we hope that we will be able to make his family proud that they agreed to the association of his name with what we think will be a very great work.

Hon. Mr. Benidickson: Honourable senators, I think that what Senator Nichol is talking about is a subject that Her Honour the Speaker will recall hearing about when we were in the Orient early in 1972. At that time it was not particularly associated with Mr. Pearson. It was to be an institution in Western Canada that had a particular relationship to the Orient, with the expectation that the personnel and the student population would, to a great extent, come from that area.

On that particular trip, Her Honour and I were much impressed by the number of people in various Pacific countries that we visited—and who, I might add, looked after us so well—who had had experience with Senator Cameron's School of Business Management in Banff. Now we have the possibility of a further extension of our connection with, and our interest in, the Pacific Rim.

I commend Senator Nichol for his initiative in this. I am, of course, very glad that the name of the late Mr. Pearson is to be associated with it but, as I say, I think it was contemplated long before his death. It is something we talked about last year when we were in Japan and Hong Kong.

Hon. Mr. Nichol: That is right.

Hon. Mr. Benidickson: In fact we were told by people from the Philippines and from Indonesia—although we did not visit those areas at that time—that this was an admirable project and that a logical place for its location would be on the West Coast of Canada. We were told that great results could be expected from it, just as amazing results had been achieved by the Banff institution.

Honourable senators, let me also add that I am very pleased to hear that Senator Nichol is giving this project leadership. It is something that deserves our endorsation.

Hon. Mr. Rowe: Honourable senators, I wonder if I might ask Senator Nichol a question. I realize he may not have the answer at this time, but I shall ask it anyway.

I should preface my question by saying that several years ago at UNESCO we discussed the feasibility of setting up a world university, and we made recommendations in that regard to the United Nations, I believe. I am not at all sure whether in fact the United Nations has accepted the recommendation but I believe it has. In any case, I have lost touch with their plans. Then, a few days after Mr. Pearson's death, I was contacted by a well-known Canadian citizen whose name I shall not divulge at this time, who asked me whether I would support the proposal for such a world university to be called after Mr. Pearson. Of course, I was only too happy to reply in the affirmative. Later I heard that for some reason this proposal was being dropped, and that nothing was going to come of it.

I wonder if perhaps Sentor Nichol can give us some new information on that whole matter?

• (1540)

Hon. Mr. Nichol: Yes, I certainly can. To begin with, I should point out that this is not a university. These are students in the last two years of high school. Perhaps I could stick with that for a moment. The original concept of this sort of institution for international study arose out of the NATO college. I am not sure that that is the correct name. The people who worked on the NATO college were dealing with people in their mid-twenties, and they came to the conclusion that, valuable as the mid-twenties relationship was, it did not have the strength of bite of relationships formed between the ages of 15 and 17. To be effective in developing people's attitudes to each other they felt they should move into this lower age group. Although I am not an educator, that seems to me eminently sensible. First of all, therefore, this is not a university.

I am not completely familiar with what happened with regard to the suggestion to have a United Nations University in Toronto. My belief is that a lot of people wishing to move quickly to set up a memorial to the late Prime Minister got together and decided they would raise money to establish, as I think it was called, a United Nations University to be located in Toronto. While I have the greatest respect for those who started that movement, and for those who are presumably still working on it, a committee chaired by Mr. Pickersgill, which represents the Pearson family, has specifically said that this Pearson College of the Pacific will be the major educational memorial to the late Prime Minister.

I am being careful, honourable senators, not to denigrate or downgrade the efforts of those who started the project in Toronto—by no means do I want to do that—because their motives are somewhat like those of our group, and I hope we will have their support.

Perhaps I should read a note written by Mrs. Pearson. It is not a secret document.

> Members of the Pearson family have stated that the educational project closest to Mr. Pearson's heart was the establishment of a United World College of the Pacific on the West Coast of Canada.
>
> As tangible expression of that interest, he assumed the role of Honorary Chairman of the United World Colleges Canadian National Committee as well as membership on the United World Colleges International Council. He participated actively in the planning of a truly international school for young people, 15 to 18 years of age, to be built on the West Coast of Canada.
>
> The fund-raising for this venture has begun and because of Mr. Pearson's deep desire to see this school realized in Canada, we wholeheartedly approve the use of his name in connection with the United World Colleges School of the Pacific project.

That is signed "Maryon Pearson."

I have to say that this is a different institution. What will happen to the United Nations University proposal, I cannot say. It is obviously a much larger, more complicated, more far-reaching and, I suggest, more difficult institution to put together than the one on which we are working.

[Hon. Mr. Rowe.]

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, I move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately six o'clock this evening.

Hon. Mr. Flynn: Honourable senators, I rise on a point of order. I think the motion is completely irregular and cannot be made without previous notice. The only thing we can do when we have exhausted the business of the day is to adjourn the sitting, and that is the only motion that can be entertained at this time.

Hon. Mr. Benidickson: Has Senator Langlois in mind a possible need for Royal Assent?

Hon. Mr. Langlois: No. The question has not been put and I should like to give an explanation. I can give it now, or wait until the question is put.

Hon. Mr. Flynn: The question cannot be put if the motion is not in order.

Hon. Mr. Langlois: Madam Speaker, I beg to disagree with the honourable Leader of the Opposition.

Hon. Mr. Flynn: I know you would like to.

Hon. Mr. Langlois: I have discussed this matter with him this morning. The only purpose in moving this motion at this stage is to ascertain developments in the other place. It is possible we will be getting an appropriation bill some time today, probably late in the evening, and I think it is the duty of the Senate to be available at that time to consider that bill. There is no intention on this side of the house to rush the legislation through, and we have no intention of asking leave of any kind. However, since it is an appropriation bill I think the Senate should be ready and available to consider it once it has passed the other place. I am informed that in Great Britain the House of Lords would even sit on Sunday to consider an appropriation bill.

Hon. Mr. Flynn: Who cares about the House of Lords?

Hon. Mr. Argue: Look at what happened to them.

Hon. Mr. Langlois: We have a constitutional duty to fulfil and we should not abdicate it. Our rules call for the sitting of the Senate on a six-day week basis. In the majority of cases we have been able to take advantage of long weekends. However, when we have an appropriation bill coming to us, I believe it is our clear-cut duty to be ready to consider it.

Hon. Mr. Flynn: I do not think the remarks of the acting leader are relevant to the point of order I raised. However, since they were made in explanation of his motion I would say that I am in complete disagreement with him when he says the Senate should be here waiting for the other place to pass a bill in order that we might do likewise immediately afterwards. That is an entirely erroneous attitude. I disagree entirely with the idea that because the possibility exists that the other place might vote tonight or some time today, or tomorrow, on an appropriation bill we should be standing in servile readiness.

Hon. Mr. Benidickson: Let us meet tomorrow.

Hon. Mr. Flynn: We must have time for second sober thought. That being said, I repeat that when we have completed the order of business for the day only one motion can be entertained, and that is for the adjournment of the Senate.

We could adjourn until tomorrow at two o'clock in the afternoon, as is provided under our rules. But I warn the acting government leader that if we follow the rules and meet tomorrow, and if the bill is received and given first reading, I will then refuse leave for second reading, unless it can be done in accordance with our rules, and that will take us to next Tuesday. If he decides to force the Senate to meet tomorrow for nothing, that is his privilege, but he will have to take the responsibility for such behaviour.

Hon. Mr. Langlois: You will have to take yours, too.

• (1550)

Hon. Mr. Flynn: I suggest that there is no reason for not proceeding as we normally do. Many senators have already left with the idea that the Senate would resume next Tuesday. I suggest that is what we should do; that is the normal thing to do.

If I cannot persuade my honourable friend with my argument, I know I can force him to follow the rules.

Hon. Mr. Langlois: That is what I suggested this morning.

Hon. Mr. Molgat: Honourable senators, speaking to the point of order, according to our custom—

Hon. Mr. Flynn: It is not a question of custom.

Hon. Mr. Molgat: —in the Senate, there is ample precedent for what is being proposed by Senator Langlois. There is a distinct possibility that the bill will pass in the other place this evening.

Hon. Mr. Flynn: I do not care.

Hon. Mr. Molgat: It seems to me reasonable, if in the past we have been able to complete all our business by sitting three days a week, when there is business to be done we should be prepared to sit longer hours. The rule book provides for sittings on Monday, Tuesday, Wednesday, Thursday and Friday.

Hon. Mr. Flynn: Well, let us come back tomorrow.

Hon. Mr. Molgat: It seems to me that it would not be unreasonable for the Senate to sit five days a week. We are not asking in the proposal for any hurry in the debate.

Hon. Mr. Flynn: Then let us meet tomorrow at 2 o'clock.

Hon. Mr. Molgat: We are quite prepared to have a full debate on the appropriation bill when it reaches us. We are not asking for leave, if there is no inclination to give it. What we are saying is simply that, as it stands now, there is a good possibility that the bill will arrive this evening.

Hon. Mr. Flynn: I do not care. I am not going to wait for that.

Hon. Mr. Molgat: We should proceed this evening with first reading. We could then perhaps adjourn until Monday.

Hon. Mr. Flynn: There is nothing before the house at this time.

Hon. Mr. Molgat: There will be no need for a sitting tomorrow. We could adjourn until Monday. We could simply get the bill into the house, and then proceed with it on Monday as regular business. The alternative is to sit tomorrow afternoon at 2 o'clock, as the rules provide.

Hon. Mr. Flynn: Sit tomorrow, and it will be all for nothing.

Hon. Mr. Molgat: That, of course, is the choice of my honourable friend, the Leader of the Opposition.

Hon. Mr. Flynn: It would be my choice.

Hon. Mr. Molgat: If he wishes to make that choice, I want to make it clear that it would be his choice.

Hon. Mr. Flynn: Not only mine.

Hon. Mr. Molgat: We are not imposing anything. We are not trying to be difficult. We are simply trying to do the business of the Senate. It seems to me that it is reasonable to request an adjournment until six o'clock. We are not being unreasonable in suggesting that it would work out better for all senators. We will see at about six o'clock what the situation is in the other place. If it appears that we can do some business later this evening, such as proceeding with first reading, we will do that, and then come back on Monday and go through the business in an orderly way.

It seems to me that we are not proposing anything unreasonable. This will be convenient for all honourable senators. The alternative is to come back at 2 o'clock tomorrow afternoon, which I think will be more disruptive to honourable senators than what we are proposing.

Hon. Mr. Flynn: Senator Molgat has simply repeated what Senator Langlois has said. And what both have done is to express the long standing views of the Leader of the Government, who would have us hang around just waiting for legislation, sometimes even giving it approval before it reaches us. I say again, as far as the rules are concerned, having exhausted our business for today, we can only adjourn to tomorrow. If the bill is passed in the other place, it can receive first reading tomorrow. But, applying the rules, the bill could not be presented for second reading before next Tuesday.

Hon. Mr. Benidickson: Monday.

Hon. Mr. Flynn: No, next Tuesday, because there has to be one intervening sitting day between the two, and that is Monday. The bill cannot be given second reading before Tuesday. So I tell my honourable friend that if he wants to proceed according to the rules he can have the Senate sit for nothing tomorrow. That is his privilege.

We will have done what apparently the Leader of the Government and his assistants want, and that is show that we are at the beck and call of the other place. That would be stupid. Most honourable senators have already left for the weekend. They are under the impression that they will not have to come back before Tuesday, since the bill cannot be dealt with before then. I hate to see the Senate left standing around waiting. Second sober thought means something to me. I do not accept that we should be rushed into it as soon as a bill arrives from the other place. We have had enough of that nonsense.

Hon. Mr. Langlois: Honourable senators, I think that both Senator Molgat and I have explained that we were just trying to accommodate the Senate and avoid coming back tomorrow, probably for nothing.

Hon. Mr. Flynn: Yes.

Hon. Mr. Langlois: But since the honourable senator has objected to this procedure, I am ready to withdraw my motion and move that the Senate do now adjourn.

Hon. Mr. Flynn: Yes.

Hon. Mr. McIlraith: Honourable senators, before leave to withdraw the motion is granted, I should like to deal with the point of order and the question of following the rules on which Senator Flynn based his point. As I see it, in today's sitting we have temporarily finished with the work before us.

Hon. Mr. Flynn: Not temporarily.

Hon. Mr. McIlraith: I should like to make my argument, whether it be good or bad. I was careful to listen to the honourable senator when he was making his argument. I listened as carefully as I could.

The Senate has finished the business presently before it. At this stage, we do not know whether we have further business to come before us today. Instead of the presiding officer merely suspending the sitting, so that we will not sit idly here for the next two hours, a motion was put, without notice.

It was alleged that the motion was not a proper one. The argument is that the only motion that can be put without notice is one for the ordinary adjournment of the Senate at the close of the business of the day. We may not have reached the close of business for the day.

Hon. Mr. Flynn: We have.

Hon. Mr. McIlraith: We may not yet have come to that stage, and I respectfully suggest that Rule 46(r) is not the only rule, or is not the rule applicable to this case; that the rule applicable to this case is Rule 46(s)—other motions of a merely formal or uncontentious character.

Hon. Mr. Flynn: Oh, oh.

Hon. Mr. McIlraith: Surely, what we are being asked to do is a formality. Instead of the Speaker merely suspending the sitting for two hours, there is a motion—the formality of the method of coming back to finish our business for the day.

The Honourable Leader of the Opposition, in presenting his argument, made it clear that there is really every reason for us to proceed in this formal way rather than by merely suspending the sitting, because he has indicated that in respect of the expected bill—which is one of those bills which are of primary concern to the House of Commons, rather than to this chamber—he will require the one day's notice before it proceeds to the second reading stage, that he will not waive that rule.

• (1600)

That being so, perhaps it is desirable that we proceed under Rule 46(r), and put the motion. We will then know that when we come back tomorrow, if we do, we can deal with the bill in a substantive way rather than going through the mere formality of first reading.

I want to make it clear that it is not correct to say that the only motion that could be put without notice in the circumstances in which we are now is the simple motion for adjournment in so many words.

Hon. Mr. Flynn: I would like to know if the acting leader has or has not withdrawn his motion, because if he has withdrawn his motion then—

Hon. Mr. Langlois: I have not obtained leave to withdraw it.

Hon. Mr. McIlraith: He has not obtained leave yet. He may.

Hon. Mr. Flynn: Then the debate is still on the point of order.

Hon. Mr. McIlraith: Yes.

Hon. Mr. Flynn: Senator McIlraith suggested that this was a motion of a merely formal or uncontentious character. What the honourable acting leader has said to support the motion, if there is any substance behind it, is that there is the possibility of a bill coming from the other place. Well, that, of course, should not be of any concern to the Senate. The fact is that, at this time, we have nothing before us. That the bill might reach us is a mere possibility. It might come tonight; it could come tomorrow. But there is nothing before us at the moment. I suggest that to decide whether we have or have not concluded our business, we have only to look at the *Minutes of the Proceedings of the Senate,* and at the Orders of the Day and the Inquiries, to find that we have exhausted our Order Paper for today. Therefore, if we are to agree with the argument of Senator McIlraith, it means we will sit here without saying a word until six o'clock. That is all very well. We can stay here, if that is what he wants. Nobody is to move and nobody is to say anything. We will simply look at each other and smile.

If that is the suggestion, and if that is Senator McIlraith's idea of a solution—and I cannot validly put any other interpretation on his argument than this one—then, all right, I am going to sit here and wait until six o'clock, when Her Honour the Speaker has to follow rule 12, which is:

> If, at six o'clock in the afternoon, the business be not concluded, the Speaker or the chairman of the committee leaves the chair until eight o'clock—

It will be pretty difficult for Her Honour to decide whether we have concluded our business or not if we have been sitting here without saying a word for two hours, but I suggest that at that time Her Honour may exercise better judgment than some others here, and decide that the only intelligent thing we can do is adjourn for the day.

The Hon. the Speaker: Honourable senators, in my opinion we have not finished the business of the day because I have not yet called for Motions, although a motion was made.

Hon. Mr. Flynn: There were no motions on the Order Paper.

The Hon. the Speaker: In any event, I had not called for Motions. I also think this is not a motion for adjournment of the Senate, but rather a motion for the suspension of the sitting. If the word "adjournment" was used, it was

used so inadvertently. This is merely a motion for the suspension of the sitting.

Hon. Mr. Flynn: Your Honour, I do not know how you can suspend something that has been finished.

The Hon. the Speaker: In Bourinot's *Parliamentary Procedure*, at pages 213 and 214, there is this:

> The Senate and Commons also sometimes suspend a sitting during pleasure, or with an understanding that they resume at a certain hour. This is done frequently at the close of a session whilst one house is waiting for messages for the other.

It may not be a message in this case, but we are waiting for word from the other house.

Hon. Mr. Flynn: Your Honour, we are not waiting, because they have not done anything.

The Hon. the Speaker: However, I do not quite understand whether or not Senator Langlois has withdrawn his motion for suspension until six o'clock.

Hon. Mr. Langlois: Your Honour, I could withdraw my motion, but I am not at liberty to do so. Therefore, my motion is still before the house.

The Hon. the Speaker: If the motion is still before the house, I think I have to put it.

Hon. Mr. Flynn: I do not know if Your Honour has decided that the motion is in order, but Your Honour has quoted Bourinot's *Parliamentary Procedure*, and made some reference to a suspension of the work. May I suggest with all due respect, Your Honour, that you cannot suspend something that has been completed. You can suspend a debate. I could move that a debate be suspended until later this day, which is a mere motion, both informal and uncontentious, but when there is nothing before us that is another case. If we knew that the bill had been passed and that they were sending somebody to tell us that they had passed it, we could be waiting for a message, but we cannot be waiting for a message when nothing has been done in the other place.

With the greatest of deference to Your Honour I suggest that the quotation Your Honour has read does not apply in the present case. It is quite obvious that this motion is out of order and I suggest to Your Honour that you could be creating a precedent by accepting it.

I would suggest to Your Honour that perhaps we could suspend the sitting to allow Your Honour to study the matter. Perhaps that would be one way to gain the time that the Honourable Acting Leader of the Government wants. If Your Honour wishes to take it under advisement, I have no objection, but I suggest that this motion is completely out of order since we have exhausted the business of the day.

Hon. Mr. Langlois: Honourable senators, I suggest that a ruling has been made by the Chair, and it is not debatable.

Hon. Mr. Flynn: A ruling has not been made by the chair.

The Hon. the Speaker: I am of the opinion that the business of the house under Rule 19 has not been completed. It is not finished until all the items (a) to (i) have been called, and I have not yet called (i).

Hon. Mr. Flynn: Then I would suggest, Your Honour, that you call it.

The Hon. the Speaker: However, I would be glad to accept the suggestion of the Honourable Leader of the Opposition that I take the matter under advisement. I shall suspend the sitting until six o'clock, and in the meantime I shall seek further information.

Hon. Mr. Flynn: Your Honour, since you have mentioned that Motions have not been called, may I inquire what motions could be called? There are none on the Order Paper.

Hon. Mr. McIlraith: We do not know what motions might be called. Nobody knows.

Hon. Mr. Flynn: You cannot make a motion unless it is one that does not require notice. There are no motions on the Order Paper.

Hon. Mr. McIlraith: In any event, the sitting has just been suspended on your suggestion.

At 4.10 p.m. the sitting was suspended.

At 5.30 p.m. the sitting was resumed.

The Hon. the Speaker: Honourable senators, the sitting was suspended for the purpose of considering a point of order that was raised. However, I am informed that the matter has been resolved by mutual agreement. In view of that, I do not see the necessity of making any further ruling.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, I have the honour of moving, seconded by Senator Molgat, with leave of the Senate and notwithstanding rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday next, February 20, 1973, at two o'clock in the afternoon.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Haig: Honourable senators, may I ask Senator Langlois to indicate whether we shall also sit on Tuesday evening at eight o'clock?

Hon. Mr. Langlois: It is possible that we shall need to sit on Tuesday evening.

Perhaps I should inform the Senate at this time that the Honourable Leader of the Opposition and I have had a discussion, during which we came to an understanding that we would likely have both first and second readings of the appropriation bill on Tuesday. Whether the bill will be referred to the Standing Senate Committee on National Finance, I do not know. I have no objection to that

procedure being followed. If it is, the committee could meet later on Tuesday afternoon, or in the evening. For that matter, the committee could meet on Wednesday morning, although on Wednesday morning there are caucuses taking place. In any event, I am completely in the hands of the Senate in this respect.

Hon. Mr. Flynn: Honourable senators, as Senator Langlois has said, we did reach an agreement. The agreement is that if the bill has passed the other place by the time we resume our sitting on Tuesday next, then first reading will take place, and be immediately followed by debate on second reading. We shall then see what has to be done about that, and whether we have to sit in committee the next day. In any event, we will proceed in the ordinary manner at that time.

Hon. Mr. Grosart: Honourable senators, perhaps I might say a few words from the point of view of the committee. It has not been the normal practice for an appropriation bill to be referred to committee. There is no reason why it should not be so referred, but normally the Senate has taken the position that the committee's report on the supplementary estimates relating to the appropriation bill satisfies those requirements.

As I say, that is not necessarily so, but it has been the practice.

Hon. Mr. Langlois: I am in full agreement with what Senator Grosart has just said. I simply repeat that I am completely in the hands of the chamber so far as this matter is concerned.

Hon. Mr. Flynn: In discussing this with the Acting Leader of the Government, I suggested that it would not be necessary to refer the bill to committee unless the debate that might arise on second reading causes some senators to ask questions which cannot be answered in the house. Of course, regardless of what the practice has been, each case depends on its own circumstances.

The Senate adjourned until Tuesday, February 20, at 2 p.m.

THE SENATE

Tuesday, February 20, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of Agreement between the Government of Canada and the Government of the Republic of Cuba on Hijacking of Aircraft and Vessels and Other Offenses. Signed at Ottawa, February 15, 1973.

Report on work performed and expenditures made as at December 31, 1972, under authority of section 1 of chapter 3, Statutes of Canada, 1968-69, respecting the construction and completion, by the Canadian National Railway Company, of a line of railway from near mile 17 of the Windfall Extension on the Sangudo Subdivision in a westerly direction approximately 51 miles to Bigstone in the Province of Alberta, with a connecting line approximately 9 miles in length from a point near mile 38 of the said 51 mile line to South Kaybob, pursuant to section 8 of the said Act.

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1972, pursuant to section 6 of the Department of State Act, chapter S-15, R.S.C., 1970.

BUSINESS OF THE SENATE

Hon. Mr. Flynn: May I ask the Acting Leader of the Government whether the special message that he was expecting last Thursday will reach us eventually?

Hon. Mr. Langlois: Honourable senators, the message is still awaited. As I said the other day, it is very hard to predict what is likely to happen in the other place; but it is expected that the message will reach us sometime today or at the latest tomorrow.

Hon. Mr. Argue: That is what you said last week.

Hon. Mr. Forsey: "Tomorrow, and tomorrow, and tomorrow . . ."

Hon. Mr. Langlois: There is nothing like hope.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Thursday, February 15, the adjourned debate on the motion of Senator Cameron for the second reading of Bill S-2, to amend the Criminal Code (control of weapons and firearms).

Hon. John M. Macdonald: Honourable senators, it is not my purpose to speak at any length on this bill. Actually, I do not hold very strong views on the subject matter of the bill, and the views that I hold have been formed since the debate began.

At present the control of what is called offensive weapons in Canada is somewhat strict. Weapons fall into three classifications: the first is prohibited weapons, the second is restricted weapons, and the third applies to those weapons that do not fall into either of the previous categories.

The definition of the three classifications is found in section 82 of the Criminal Code. Weapons which are presently not restricted can be made so by order in council, the one exception being shotguns or rifles commonly used in Canada for hunting or sporting purposes.

As I understand the bill, its purpose is to do away with that exemption and to make shotguns and rifles restricted weapons. Under the provisions of the bill, one must have a permit in order to possess such a weapon. At present, as I understand it, such weapons must be registered, but a permit is not necessary. Even a restricted weapon does not require a permit if it is in a dwelling house or place of business.

Two things have to be considered when deciding whether or not the bill should be supported. One is whether the fact that these weapons can be bought and owned without a permit leads to an increase in crime. We have heard a great deal about the increase in crimes of violence. However, I do not think it has been shown that the people committing these crimes are doing so with weapons which are not now classified as being restricted. Even if it could be shown that the increase in crimes of violence is due, even in part, to the possession of such weapons, I think it would also have to be shown that by restricting those weapons we would keep them out of the hands of those persons who might use them for illegal purposes.

• (1410)

Honourable senators, on these two, perhaps, narrow grounds, I feel we have to determine whether or not this bill should be supported. I feel, too, all things considered, I must agree with the arguments put forth by Senator Manning. I feel by passing this bill we would be putting a good many law-abiding citizens to a great deal of inconvenience and expense, while doing nothing to prevent these weapons from falling into the hands of those who would use them for illegal purposes.

Honourable senators, I do not feel I can support this bill at the present time.

On motion of Senator Davey, debate adjourned.

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

On the Order:

Second reading of Bill S-3, intituled: "An act to amend the British North America Acts, 1867 to 1965 (Yukon and Northwest Territories Senate representation)".—(*Honourable Senator Grosart*).

Hon. Allister Grosart: Honourable senators, the purpose of Bill S-3 is to make provision for the appointment of two additional senators, one each from the Yukon and—

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Grosart, seconded by the Honourable Senator O'Leary, that this bill be now read a second time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Grosart: Honourable senators, apparently I was too eager to get this long overdue measure before the Senate.

Hon. Mr. Choquette: You overlooked the rule.

Hon. Mr. Grosart: I did not overlook it; I forgot it.

Honourable senators, the purpose of this bill is to make provision for the appointment of two additional senators, one each from the Yukon and the Northwest Territories, and to make consequential amendments respecting the total number of senators.

It would seem to be particularly urgent that we consider this matter at the present time. The Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, which was presided over with such distinction by Senator Lamontagne and Senator Molgat, made a similar recommendation in very strong terms. I will indicate some of the differences between what is suggested in this bill and what was suggested in the report of that committee in a moment.

Perhaps honourable senators would look at the bill while I explain the clauses.

Clause 1 would repeal sections 21 and 22 and substitute new sections. The only major difference in the substituted sections is to provide for the two extra senators. The new section 21 would provide that the membership of the Senate consist of 104 rather than 102, for an obvious reason. The substituted section 22 maintains the present constitution of the Senate in respect to the four senatorial divisions of Ontario, Quebec, the Maritime Provinces, and the Western Provinces, and makes no change in the number of senators allotted to each province. It also continues the representation of Newfoundland by six members, and then provides:

> The Yukon Territory and the Northwest Territories shall be entitled to be represented in the Senate by two members, one for the Yukon Territory and one for the Northwest Territories.

It then repeats the provision for the appointment of senators from the province of Quebec from the existing 24 electoral divisions.

Clause 2 of the bill would repeal section 28 of the act, and substitute a new section to provide:

> The number of Senators shall not at any time exceed One Hundred and Twelve.

I am sure I need not explain that, except to say there is provision in the British North America Act for the appointment of eight additional senators at any time by order in council, distributed equally between the four divisions.

Hon. Mr. Flynn: Such as the situation last October where we would have had to use it.

Hon. Mr. Grosart: My honourable friend might be looking ahead a few months, or perhaps a few days.

Hon. Mr. Flynn: Yes, indeed.

Hon. Mr. Langlois: Why not a few years?

Hon. Mr. Flynn: I do not like to make predictions such as Senator Langlois made last Thursday.

Hon. Mr. Langlois: You should quote your former leader on that.

Hon. Mr. Grosart: These two territories have been represented in the other place for some years—in the case of the Yukon Territory by the Representation Act of 1902; and in the case of the Northwest Territories by a series of Representation Acts, those of 1947, 1952, and 1962, gradually extending the electoral representation of the Northwest Territories in the other place to the whole area. I am sure honourable senators would be inclined to agree that it is very difficult to think of any justification for a situation where these two territories, populated by 55,000 Canadians, should be represented in one House of Parliament and not in the other. The purpose of this bill is, of course, to correct that, among other apparent inequalities.

The general process by which representation in the Canadian Parliament has been extended from time to time to those parts of Canada that were not included in the original confederation is well known, particularly the situation where Senate representation was extended to two new provinces, Prince Edward Island and Newfoundland, as they came into Confederation.

The gradual development of senatorial representation in the West, however, is perhaps less well known. The Manitoba Act of 1870 provided for two senators from Manitoba, the "postage stamp province" as it then was, with provision for an increase to four as the population grew. An order in council admitting British Columbia in 1871 added three senators from that province.

This left the land area between Manitoba and British Columbia without representation at that time. As it filled up with settlers, it was decided to be necessary to make provision for the representation of that area in Parliament, so the British North America Act was amended in 1886 and the relevant provision in that act appears in the notes to the bill. The act of 1886 specifically provided that representation could be given by Parliament in either house or in both houses to any territory which was outside the areas which had been organized into provinces. The exact wording was that they could be given "representation in the Senate or in the House of Commons or either."

• (1420)

Under this act, then, this area between Manitoba and British Columbia was given, first of all, two senators; then four in 1904, just before the provinces of Alberta and Saskatchewan were organized, at which time each of the provinces was given four senators, with provision for an increase to five or six as the population grew. By 1915 the four Western Provinces were recognized as a senatorial division with 24 senators, six from each province.

This pushed the Yukon and the Northwest Territories above the 60th parallel, to their present boundaries. As I

indicated, the Yukon Territory was given Commons representation in 1902, after a petition and very strong representations had been made to the government of the day that it should have two members of the Commons and one senator.

Looking back, it is difficult to see why senatorial representation was not given to those two territories in the many years which have elapsed since 1886. I have done some research and I must say that I have found no evidence of any outright refusal by the government to give senatorial representation to those territories, and certainly no indication of a substantial reason why they were not given this representation. I suggest that there was probably no good reason.

This is surprising because, as you all know, representation in the Senate from any part of Canada is on a geographical basis, and here we are dealing with part of the geography of Canada which represents about 40 per cent of the land area. As I said, it has representation in the House of Commons. Why it has not been given representation in the Senate, as far as I understand it, nobody really knows.

It is not a question of population because, as we all know, population is not an integral part of the basis of representation in the Senate; otherwise, we would not have the situation where senators represent anywhere from 25,000 to perhaps 300,000 citizens. It is not a question as to whether or not the area is organized as a province, because the act of 1886 specifically provided that such an area could be given representation in the Senate. Therefore, there is both authority and precedent. There is the precedent under which senatorial representation was given, before they became provinces, to that part of the territories which are now the provinces of Saskatchewan and Alberta.

At this point perhaps I should say that while the act of 1886 does give specific authority to provide for representation of senators from these areas, it is probably not at the present time a necessary authority. From an eminent legal counsel whom I have consulted, it seems quite clear that the amendment of 1949 would give complete authority to the Parliament of Canada to implement Bill S-3 without the more cumbersome formula of an Address to Her Majesty and a request that she put the measure before the Parliament of the United Kingdom.

As honourable senators will remember, the act of 1949 added a new class 1 to section 91, making the previous class 1 become class 1A, giving the Parliament of Canada authority to amend the Constitution—and those were the words used—in all matters except certain entrenched provincial rights under section 92 and other sections of the British North America Act. Certain language rights were excluded from that power, and there was the requirement that Parliament be called annually and be dissolved after five years as a maximum.

I believe there is consensus among constitutional experts that the bill I am proposing would come within the competence of this Parliament.

I am also informed, in case anyone should raise the question, that this is not in the restrictive sense a "money bill" about which there would be constitutional problems as to the propriety and legality of its being introduced in the Senate. I will not go into the details of that, but Bill S-3 seems clearly a measure that does not offend against section 53 of the British North America Act, which provides:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

I suggest that the provisions of this bill would not come within that restriction.

Honourable senators, the enactment of this measure will constitute a very important step along the long road to political equality of these 55,000 Canadians. They are still, constitutionally, "second-class citizens." They are still denied the level of responsible government that the rest of us enjoy. They have been travelling the road toward what we would call complete self-government for a very long time, by hard and sometimes tortuous steps. It is fair to say that in recent years considerable progress has been made, but a case can still be made out that in respect to these territories Canada is a colonial power.

Here in 40 per cent of the land area of our country are 55,000 citizens who are denied responsible government, denied the same rights of representation through a legislature, a responsible legislature, and the Parliament of Canada, that the rest of us enjoy.

I would suggest that unfortunately the situation has a good many elements of colonialism. The majority of those citizens are non-white. They occupy, as I say, a very large and rich part of Canada. The main reason why we hesitate to give them the "full rights" that the rest of us enjoy is the fact that they live in a very rich land, they have rich resources, and we are rather afraid to let them have the complete power over those resources that they would normally have if they were organized as a province.

I do not want to overemphasize that. I say again that steps are being taken. But only the other day there was a very serious clash between the Executive represented by the Commissioner and the partly elected Council in one of those territories. Anyone reading the account of that would certainly see some reflections of the long struggle that many people in many parts of the world are undergoing for political equality.

However, leaving that aside, because this is not really the place to argue that larger question, I suggest to honourable senators that the passing of this bill would certainly be one step, and an important step, toward giving these 55,000 fellow citizens much more adequate representation, and it would bring them closer to having a degree of political equality. Any longer denial of that right would seem to me, as a senator, to be quite indefensible, particularly in view of the fact that one of the traditions of the Senate, if not one of its constitutional obligations, has been the protection of minorities.

As I have said, the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, with Senator Lamontagne and Senator Molgat as co-chairmen, recommended a step similar to that suggested by Bill S-3. They stated in the report that one of the two "most obvious deficiencies in the current distribution of Senate seats" is "the fact that the Yukon and Northwest

Territories, being a major part of the Canadian land mass, are not represented at all in the Senate." The committee recommended that this be rectified by the appointment of senators from these two territories. In fact, it stated that provision should be made for the appointment of two senators from each territory, but that is because their recommendation suggested an increase in the number of Senate members to, I think, 130 in order to provide for nominations from the provinces.

• (1430)

I think the principle of this bill is exactly the same, and the arguments behind it are exactly the same as those advanced by the Constitution Committee.

Honourable senators, for these reasons, and for a good many other reasons that I could elaborate but shall not at this time, I recommend this bill for the consideration of the Senate.

On motion of Senator Molgat debate adjourned.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—DEBATE CONTINUED

The Senate resumed from Wednesday, February 14, the adjourned debate on the inquiry of Senator Hicks, calling the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.

Hon. M. Grattan O'Leary: Honourable senators, my first observation must be to point out how fortunate a thing it is for this house that Senators O'Leary and Grosart are always here to keep the place going. My second observation must be this: having never hung my hat on an academic peg, and never walked in the groves of Academe, I hesitate to follow the distinguished president of a famous university who presented this motion with such skill, with such force and lucidity.

As I listened to his speech and read it since in *Hansard*, it seems to me that what he wants to try to accomplish is in some way to have the central government, the dominion Parliament, contribute more than it is now contributing to the maintenance and upkeep of our universities.

I think the real problem in the situation is that in trying to do this we are not distinguishing sufficiently between skills—between technical and vocational training and true education. Senator Hicks quoted a statement by the Right Honourable Louis St. Laurent when he said:

> I think many of us recognize increasingly that some means must be found to ensure to our universities the financial capacity to perform the many services which are required in the interests of the whole nation.

I think that is true, but Mr. St. Laurent did not make clear, nor did Senator Hicks, just precisely what they meant when they spoke of the many services which the universities perform. I am convinced that if the founding fathers had been living in our days of technology, had been living in our computerized age, they would have made section 93 of the B.N.A. Act a little clearer with respect to what was called education.

I am bit disturbed sometimes about the increasing costs of universities. For example, I remember when Carleton University was established by a good friend of mine, Dr. Tory. They began their days in the old Ottawa Ladies College in the Glebe with practically nothing in the way of equipment. I recall that when I began as one of his lecturers in journalism I lectured in the basement of a church. Well, honourable senators, I ask you to go and look at the campus of Carleton University now with the vast buildings, the vast costs, expenditures of millions; and sometimes you wonder where these millions are coming from. Or you could go to the University of Ottawa. I remember when it was a small, sectarian university, often famous for its football. Today you could not cast a stone on Sandy Hill without breaking a window of a building owned by the University of Ottawa. Again, there is an investment of millions.

I remember talking to a good friend of mine, Father Légaré, who was the rector of the University of Ottawa. He was telling me of the millions and millions of debts which they had incurred. I said to him, "Father Légaré, where do you expect to get this money?" He hesitated a long time and finally said, "I hope the Lord will provide." I said, "Well, I hope so too, but I doubt if the Bank of Montreal would receive His cheque." This is the trouble—millions have been spent here and there, and then demands have been made on the poor alumni to get around and raise the money.

My good friend, Dr. Somers of St. Francis Xavier University, used to come up to Ottawa. I sometimes thought that he thought money grew on trees. This famous little university has incurred expenditures of millions, and God only knows where this money is coming from.

These expenditures have grown because our universities, to a large degree, have become schools of technological science, and schools of technological training. I am not against skills. I imagine that in this world today skills are desperately important. But skills in themselves are not education; and unless and until we make the distinction between true education and vocational training we are going to be in trouble. Technological education is not education. Education is not something which tells a man how to make a living. Education is not something to make a man a lawyer, barrister, doctor, engineer, or priest. It is something to make him a man. It is not something to give him a standard of living. It is something to provide him with a standard of life. Education is something which teaches a man to love truth and beauty for their own sake. It is something to teach him to love sportsmanship, to love God's courtesy, and which teaches love for one's neighbour, to love mercy, compassion and pity.

• (1440)

If a man has not these things, then in truth he is not educated at all, and this no matter what his skills are, no matter even what his scholastic attainments are. We are in danger of forgetting in this land that there is no sense in pasting wings on man unless you give him a winged nature, and no sense in making men free in order to make them good, when the real task is to make them good in

order to fit them to be free. We are becoming completely addicted to the cult of bigness.

I sat last evening in the Senate gallery in the House of Commons and watched and heard the often mindless desk thumping which accompanied the statistics of my good and brilliant friend, Mr. John Turner. Is this education? I said we have become victims of the cult of bigness. Years ago James Russell Lowell warned the American people that the greatness of a nation must be weighed in scales more delicate than the balance of trade. That warning is for us now. We have become obsessed with the gross national product. Well, the gross national product is not unimportant, but it is not the be-all and the end-all of life. Unless we Canadians come to understand that and to practise it, we are heading for trouble.

I spoke of universities expanding into great buildings. Why, even our high schools now are veritable cathedrals, vast auditoriums, vast gymnasiums, and so on. In the old days great cathedrals were built for the glory of God. Now it seems that we are building these mighty high schools for the glory of school trustees. Something must be done about this. Yes, let us spend all the money we can on true education, but let us keep in mind the while what true education is about. It is not about big buildings; it is not about bigness at all. Is is not about high-rise buildings; it is not about a paved planet. True education is more than that. I repeat, unless we make a distinction between what I call true education and merely vocational and technical training, we shall be courting peril.

Of course we need skills; of course we need technical training; of course we need vocational training, better lawyers, better doctors, better engineers, but that is not necessarily education. That is not what I believe education should be about, and I know the best thought I have been able to find has come to that conclusion. Paul—not our friend across the way—put it very well when he said:

> Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report.

That is what education is about. So, while I support with all my heart the proposition advanced by Senator Hicks, I think first of all before we do anything about it we must make sure for what it is we are spending this money. If we are spending it for vocational training, let us distinguish between true education and vocational training.

Incidentally, quite recently I had the privilege of speaking in the magnificent law school erected by the university in Halifax. As I spoke in that university and talked later with the young students there, the thing they were proud of was not this magnificent building, but they remembered and were inspired by the great Dr. Weldon. Let us spend more for good teachers. When John Hopkins University was established it was located in a field, but they sought and went after teachers and it became, as you know, one of the famous universities of the world. They, too, now have fallen into the cult of bigness. When they opened one of their great buildings some years ago they were visited by the great Huxley. Huxley spoke to them and said, "Gentlemen, I am not impressed by this bigness. The question I put to you is this: What do you propose doing with it?" What do we propose doing with all these great structures we are building here, there and everywhere? This is a question which we must solve. We must clarify our minds in Canada about what we mean by education and for what we are spending our money.

Years ago when Woodrow Wilson, who was not only a great President but a great scholar, spoke to the classes at Swarthmore. He said, "Young men, try to remember why you are walking these classic halls. You did not come here to get something to help you make your way in life; you did not come here to get something to enable you to make a living. You came here to help to make a wider and a grander world and you will betray yourself and betray your country if you forget that errand."

We live in an age of statistics, the statistician is over us all and, if it is not the statistician, then we have the pollster, who is abroad in the land trying to find out whether we herd with the mob. This has become too much of our way of life. We are all information, all facts and no wisdom, all know-how and little know-why, all signposts and no destination.

Honourable senators, I am not attempting to tell you that I despair of our future. I am too old; I am too old to join the easy pessimism of the young, but I am old enough to know this, that our voyage through history would be more brave and more meaningful if we reassessed our understanding of what true education is about.

Hon. Mr. Langlois: Honourable senators, unless another honourable senator wishes to speak at this stage, I would move the adjournment of this debate.

Hon. Mr. Forsey: May I be permitted to move the adjournment of the debate? I intend to make some observations on this subject at some future time, but I am not prepared to do so now in a fashion that would be at all acceptable.

Hon. Mr. Flynn: Will it be more so in a few days?

Hon. Mr. Langlois: I am prepared to yield to the honourable senator.

On motion of Senator Forsey, debate adjourned.

• (1450)

AGRICULTURE

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE ANY ASPECT OF AGRICULTURAL INDUSTRY—DEBATE ADJOURNED

Hon. Hazen Argue moved pursuant to notice:

> That the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada.

He said: Honourable senators, I am moving this motion today so that the Standing Senate Committee on Agriculture may be in a position to go to work during the course of this session.

As honourable senators realize, very often there are leaders of farm delegations in Ottawa who would be happy to appear before the committee and present a brief, if the committee were in a position to hear them. The Canadian Federation of Agriculture, the National Farmers Union, L'union des Producteurs agricoles, and others

come to Ottawa from time to time, and it would be useful if the committee were in a position to say to them, "If you wish to appear before our committee, we can have a meeting tomorrow morning at 10 o'clock at which you can present your brief." By making such a forum available, the Senate would be making a worthwhile contribution to the agricultural industry in this country.

This motion and the next motion dealing with the Standing Committee on Internal Economy, Budgets and Administration, have been phrased in somewhat similar terms, but the second motion concludes with the words "and that it report the result of such consideration to the Senate." In drafting my motion I was advised by officials that in accordance with rule 71 the committee would have the power, if the motion were passed, to report to the Senate from time to time; and certainly, as chairman of the committee, it would be my intention to report to the Senate from time to time on anything presented to the committee. That is the only reason these words with reference to reporting to the Senate have not been included. If it is considered wise to have them included, I shall be happy to agree to it; but whether or not they are included it would be my intention to keep the Senate fully informed on the work of the committee.

It would seem to me also that subjects may be mentioned from time to time about which the committee would like to be informed, and in order to avoid seeking the authority of the Senate each time the committee wishes to hold a meeting, perhaps we might have this general provision enabling the committee to meet from time to time to hear briefs and presentations on any agricultural question that may arise.

As honourable senators realize, Senator Michaud has taken a particular interest in the problem of abandoned farms and declining agriculture in the County of Kent in New Brunswick. The situation in that county is similar to that existing in various parts of Eastern Canada. If my motion is passed by the Senate, the committee might study the problem of abandoned farms in Eastern Canada.

I would suggest that the committee first hear a few expert witnesses, perhaps from the Farm Credit Corporation, the federal Department of Agriculture, the New Brunswick Department of Agriculture, and then decide whether it feels justified in having a more extensive and thorough examination of the subject. In other words, once the committee had heard from a few expert witnesses it would be in a position to judge whether, by means of a more exhaustive inquiry, it might be able to put forward recommendations to help provide a more viable agricultural industry in that part of Canada. If such a thorough inquiry were decided upon and certain expenditures would seem to be required, then a budget would be presented to the Senate for approval.

By giving the committee the kind of authority requested, it would be in a position to consider, during the course of a few meetings, important questions raised by agricultural organizations, and as a result might well have something most useful to report to the Senate.

I would point out that there is no provision in the motion for a budget allowing payment of expenses to people travelling to Ottawa to appear as witnesses before the committee. There is also no provision for the establishment of a research staff, and so on. We ask for the authority stated in the motion because we wish to be in a position to hear witnesses and to do our work. If in the future the committee felt that a more thorough examination should be made of any matter, if it felt that research assistance was required on a continuing basis, or any other expenditure was required, it would ask the Senate for approval of a particular budget.

In asking the Senate to pass this motion it is hoped that the Standing Senate Committee on Agriculture may be in a position to do a competent job on behalf of Canadian agriculture, and provide in the Senate a forum where farm organizations and others may present their ideas on current agricultural questions.

Hon. John. J. Connolly: Honourable senators, I had no intention of speaking on this matter when I entered the Senate this afternoon, but I should now like to say a few words.

Firstly, it is salutary that the Senate has appointed a committee on Agriculture. The initiative and enthusiasm of Senator Argue and other honourable senators will result in a useful exercise being undertaken by the committee.

I do not rise to oppose the motion. It would be quite appropriate to pass the motion, and also appropriate for the committee to have all the power the motion asks the Senate to confer upon it. If the motion is passed I hope the members of the committee will not feel that, on a mission that is so broad and so pervasive, they will not be able to deal with specific problems.

• (1500)

I was particularly pleased to hear the chairman, Senator Argue, suggest that the committee should return to the house for authority to engage in specific projects. If a mother project, or a typical project, such as one envisaged for northeastern New Brunswick, or other projects of that nature—even a meeting with a farm delegation—requires special authority from the Senate, then the proper thing for the committee to do is to come, through its chairman, before this house to obtain whatever authority it needs.

I repeat, the committee probably has the authority to do what this motion suggests. It is my view that the limitations which Senator Argue has put upon the granting of this authority are limitations that we, as a chamber, should expect to see not only honoured but meticulously honoured. I am sure that Senator Argue and the members of the Standing Senate Committee on Agriculture will do that. Generally speaking, I do not feel we need to give our committees broad powers to investigate in a field such as that which is proposed to be cultivated by the Standing Senate Committee on Agriculture.

With those few words, honourable senators, I, too, commend the motion.

Hon. Jacques Flynn: Honourable senators, I disagree with both former speakers on this motion. I feel that the terms of the motion are too broad. The rules prescribe the matters that should be referred to the Standing Senate Committee on Agriculture. What the committee is now asking for is a blanket authority to consider whatever problem it deems within the scope of the general powers

provided in the rules. I am not prepared to agree to that, especially as Senator Argue himself has suggested that it may be necessary to amend the motion somewhat. He did not say that he would restrict the scope of the inquiries, but at least that he would provide for reporting to the house. That is rather important.

Senator Connolly, on the other hand, says that any committee which has general terms of reference provided in the rules can proceed on its own without any authority from the house. I very much doubt that that is the case.

Hon. Mr. Connolly (Ottawa West): No, I did not say that.

Hon. Mr. Flynn: In order to resolve this problem, I move the adjournment of the debate. This will give Senator Argue and Senator Connolly an opportunity to reconcile their views, and perhaps re-word the motion.

Hon. Mr. Langlois: After sober second thought.

Hon. Mr. Connolly (Ottawa West): On a point of order, Madam Speaker. I think Senator Flynn probably misunderstood what I said.

Hon. Mr. Flynn: That would be my mistake.

Hon. Mr. Connolly (Ottawa West): I think that a committee of this house should probably have the general authority to investigate. Otherwise, we would not have these committees. I rose because I, like Senator Flynn, did not like the general authority that is requested. However, my feeling is that within the terms and reservations set out by Senator Argue—that for specific projects he will come back to the house for authority—very little harm will be done by passing this motion.

Hon. Mr. Flynn: I have great confidence in Senator Argue. However, if there is something to that, then why is it not in the motion itself?

On motion of Senator Flynn, debate adjourned.

INTERNAL ECONOMY

Hon. Gildas L. Molgat moved pursuant to notice:

> 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.

He said: Honourable senators, this is a routine motion. It is the intention to call the first organizational meeting of the Standing Committee on Internal Economy, Budgets and Administration at 10 o'clock on Thursday morning. In order for the committee to be able to proceed with whatever work it will have to do at that meeting, apart from the organizational aspects, the Senate's agreement to this motion is required.

I gave notice of this motion the other day, although the Leader of the Opposition did indicate that he would be more than happy to give leave to proceed with it then.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, I find that I have to go back to my so-called prophecies, and express the hope that a message from the other place will come to us at some time today. I have discussed with the Leader of the Opposition the possibility of adjourning this sitting to the call of the bell at approximately 8 o'clock this evening so that we might have an opportunity of finding out what the situation is in the other place. If no progress has been made at that point, we will adjourn until 2 o'clock tomorrow afternoon.

This gives me an opportunity to reply to my honourable friends who have been taunting me about my erratic prophecies. In this connection I should like to relate to honourable senators what took place some 40 years ago in this chamber. At that time the Right Honourable Arthur Meighen was the Leader of the Government in the Senate. After having adjourned the Senate the previous evening to 12 o'clock the next day, upon its resumption he asked the Honourable the Speaker to call it one o'clock. The Senate resumed at 3 o'clock, and then he suggested that the Honourable the Speaker call it 6 o'clock. The Senate resumed again at 8 o'clock, at which time Senator Meighen, as reported in the *Debates of the Senate* of May 26, 1933, said:

> Honourable senators, with great reluctance I have to abdicate my role of prophet, and for the remainder of the session I shall say nothing as to when Parliament will prorogue. I merely move, on such information as I am able to obtain—

Taking a similar attitude, I only go on the information that I obtain, and the latest information I have obtained is that we are likely to get this message from the other place later this day. Therefore, I move that this sitting of the Senate be suspended until the call of the bell at approximately 8 o'clock this evening.

Hon. Mr. Flynn: Honourable senators, I was hoping that Senator Langlois would provide a better authority than the one he has just quoted, not because it was the Right Honourable Arthur Meighen but because the circumstances were entirely different at that time. They were awaiting prorogation of Parliament. That is not the case here. I should like it to be so, but the fact is that we are not awaiting prorogation or dissolution. The circumstances are not at all the same. I should have thought that the Acting Leader of the Government and Senator Molgat would have learned something from the experience of last week. They should try to understand that it's not the idea that the Senate should wait like a butler on the other place.

• (1510)

This problem will have to be resolved soon, because we are fed up with it. Senator McIlraith, who lives in Ottawa, has only to go home and wait for a telephone call to come back here. He is in a very privileged position, but not all senators are in that position.

In any event, I suggest that it is undignified for the Senate to wait for the other place, wondering if they are going to pass the bill in ten minutes, an hour, or three hours, and agree to return to inquire whether they have made some progress, or whether we can deal with the bill

right away. I am opposed to it. As I said last week, when we have concluded our business I do not see that any motion, other than a motion to adjourn, is in order. I will not start that debate again. I told the government leader last week, and he agreed, that if the bill passed the other place and reached us before today, then it would receive first reading and we would commence the debate on second reading immediately.

What I am proposing to the Acting Leader of the Government now is that we adjourn until tomorrow, and if the bill passes the other place before we re-convene tomorrow we will proceed with first and second readings immediately upon meeting. That is what we should do, instead of waiting like turkeys on the fence, like obsequious toads.

Hon. Mr. Choquette: Or messengers.

Hon. Mr. Flynn: I would rather adopt the attitude I suggest. If that is not the view of the acting leader, then I am sorry, but I am in complete disagreement with him.

Hon. Mr. Langlois: I think I should correct what Senator Flynn has said about the situation to which I have referred, which took place in 1933. The Senate was then awaiting a message from the other house with a bill concerning the Criminal Code, precedent to prorogation. We are in a similar position today in that we are awaiting a message from the other place having to do with legislation.

Hon. Mr. Grosart: This is 1973.

Hon. Mr. Langlois: I have here excerpts from the Senate *Hansard* going back some 40 years.

Hon. Mr. Flynn: You mentioned they were waiting for prorogation.

Hon. Mr. Langlois: There are hundreds of examples of situations similar to that in which we find ourselves today.

Hon. Mr. Flynn: That is not the same.

Hon. Mr. Langlois: I merely point that out. Senator Flynn referred to the situation of a senator who lives in Ottawa. Today we are all living in Ottawa; we are all present here, and to wait until 8 o'clock to find what is happening in the other place is imposing no sacrifice on anybody.

Hon. Mr. Flynn: It is not a question of sacrifice. It is a question of looking stupid and servile.

Hon. Mr. Langlois: I do not think we look stupid when we are waiting to do our duty. That is not the way I look upon my duty as a senator.

Hon. Mr. Flynn: Then scrap the rules.

Hon. Mr. Langlois: Honourable senators, I move that the Senate do now adjourn to reassemble at the call of the bell at approximately 8 o'clock this evening.

Hon. Mr. Flynn: I oppose the motion, and I suggest that it is out of order. We have exhausted our business for today, and no motion can be put but a motion to adjourn the Senate.

The Hon. the Speaker: Honourable senators, when on Thursday, February 15, the Leader of the Opposition raised a point of order on the informal motion to "adjourn during pleasure," I quoted *Bourinot*, 4th edition pages 213 and 214, where he says that the Senate and Commons sometimes suspend a sitting during pleasure . . . to resume at a certain hour . . . whilst one house is waiting for messages from the other.

Hon. Mr. Flynn: We are not waiting.

The Hon. the Speaker: *May*, 18th edition, pages 294 and 295, also refers to informal suspension of a sitting, which passage, in my opinion, is relevant to our practice.

Honourable senators, there are long-standing precedents to indicate that the Senate has followed the practice to adjourn during pleasure, not only to await the arrival of the Deputy of His Excellency the Governor General for the purpose of opening or proroguing Parliament or for royal assent, but also when there is a prospect of the submission to the Senate of a measure which is awaiting passage in the House of Commons. I have looked up the record as far back as 1932, as has the Deputy Leader of the Government, and found that each year, in circumstances described above, the Senate adjourned during pleasure a great many times.

Hon. Mr. Flynn: Of course.

The Hon. the Speaker: It is true there are no specific provisions in our rules regarding adjournments during pleasure; however, Rule 1 of the Senate reads as follows:

> In all cases not provided for hereinafter, or by sessional or other orders, the standing orders, the rules, usages, forms and proceedings of the Parliament of Canada, in force up to the day on which the present rules go into operation, shall be followed so far as they can be applied to the proceedings of the Senate or any committee thereof.

Honourable senators, I suggest that the practice of adjourning during pleasure is a well-established usage in this chamber which would come under Rule 1, and, in my opinion, it is perfectly in order to resort to it.

Of course, I am in the hands of the house, and until the Senate decides to change this practice, I do not see why it cannot be followed. Perhaps the Standing Committee on Standing Rules and Orders would like to examine this procedure and make suggestions to the Senate as to the clarification of our Rules on this question. I would welcome the views of honourable senators in that regard.

In my opinion, however, this motion is in order, because it conforms to the usage and practice of a great many years. I would now ask honourable senators if it is agreed that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 8 o'clock this evening.

Hon. Mr. Flynn: Your honour, I take exception to your ruling. I will simply say that the motion will be passed on division, because I reserve the right to use all the privileges provided in the Rules in the future, in view of the attitude of the Acting Leader of the Government.

Motion agreed to, on division.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

Hon. Mr. Molgat: Honourable senators, I understand that the other place has not completed its work on the appropriation bill. I do not know exactly what the situation is. In those circumstances, I take it upon myself to move the adjournment of the Senate.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, February 21, 1973

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

Prayers.

PROPERTY QUALIFICATION OF SENATORS

RETURN PRESENTED

The Hon. the Speaker presented a return, submitted by the Clerk of the Senate in accordance with rule 114, listing the names of members of the Senate who have renewed their declaration of property qualification.

SUPPLEMENTARY RETURN AUTHORIZED

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(a), I move:

> That the Clerk of the Senate be authorized to receive the renewed Declarations of Property Qualification from those Members of the Senate who have not had the opportunity to make and file the same in accordance with rule 114, and to make a Supplementary Return accordingly.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Langlois: Honourable senators, perhaps I could add a word of explanation at this stage. This motion is to cover the case of two honourable senators who have been absent from Ottawa due to illness, and therefore unable to file their renewed declarations.

Motion agreed to.

APPROPRIATION BILL NO. 1, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Bill read first time.

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

Hon. Mr. Langlois: With leave, now.

Hon. Mr. Flynn: No, not today.

Hon. Mr. Benidickson: Honourable senators, has this bill been referred to the Standing Committee on National Finance? Was Senator Grosart's report last week in connection with this bill?

Hon. Mr. Flynn: No, that was with respect to supplementary estimates (A), which is something different.

I do not give leave to proceed with second reading today.

Hon. Mr. McIlraith: Her Honour did not hear you.

Hon. Mr. Flynn: If Your Honour did not hear me, I said "No, not today."

The Hon. the Speaker: Since unanimous consent has not been granted to proceed now, when shall this bill be read a second time?

Hon. Mr. Langlois: Next sitting.

Hon. Mr. Flynn: We will see. We cannot give leave now for tomorrow.

Hon. Mr. Langlois: You are not giving leave now, nor am I asking you to give leave.

• (1410)

The Hon. the Speaker: There must be two days' notice.

Hon. Mr. Flynn: Your Honour, I think the answer is simply to have the bill placed on the Orders of the Day but with no leave.

Hon. Mr. Langlois: That is right.

Hon. Mr. Flynn: Normally it should come on Friday.

Hon. Mr. Langlois: Quite right.

The Hon. the Speaker: As there has not been unanimous consent, the bill will be placed on the Orders of the Day for second reading on Friday next.

Some Hon. Senators: No.

Hon. Mr. Langlois: I could seek leave now, or we could do it tomorrow.

Hon. Mr. Flynn: I think that is the way to put it. Put it for Friday. Tomorrow we will see how we feel.

Hon. Mr. Langlois: May I say in reply to the honourable Leader of the Opposition that if it is not put on the Orders of the Day for tomorrow, it will automatically go to Friday.

Hon. Mr. Flynn: With leave you can obtain anything.

Hon. Mr. Langlois: The item is not going to be called tomorrow.

Hon. Mr. Flynn: You can put a motion to adjourn during pleasure without previous notice.

Hon. Mr. Langlois: I am not insisting.

The Hon. the Speaker: As there was not unanimous consent, following rule 44(1)(f), which says that two days' notice shall be given for the second reading of a bill, it will have to be set down for second reading on Friday. May I have a motion to put Bill C-141 on the Orders of the Day for second reading on Friday?

Hon. Mr. Flynn: You do not have to.

Hon. Mr. Langlois: It does not require a motion. It is automatic.

Hon. Mr. McIlraith: Honourable senators, it is my understanding that when first reading is given there is a requirement under the rules that two days' notice must be given before proceeding to second reading, but that rule

has nothing whatever to do with putting it on the Order Paper. It goes on the Order Paper immediately. If at an intervening sitting of the Senate between now and Friday the bill is before the Senate, with leave the rule can be waived at the wish of the Senate before the two days have elapsed. When Your Honour asked, "When shall this bill receive second reading?" the answer should have been "Next sitting," then if the bill is called at the next sitting the two days' notice rule has to be satisfied. The answer to the question should simply have been, "Next sitting." It then goes on the Order Paper, and what disposition is subsequently made by the Senate is up to honourable senators.

Hon. Mr. Flynn: If it is not considered as acceptance by the Senate, I agree with the view of Senator McIlraith that it be put on the Orders of the Day, but the rule would still have not been waived.

Hon. Mr. McIlraith: I agree.

Hon. Mr. Langlois: That is exactly the point I made at first. This is not a waiver to seeking leave tomorrow.

The Hon. the Speaker: I appreciate the experienced advice of the honourable Senator McIlraith. Honourable senators, is it agreed that this bill be placed on the Orders of the Day for a second reading at the next sitting of the Senate?

Hon. Senators: Agreed.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Estimates for the fiscal year ending March 31, 1974, together with copies of a booklet entitled "How Your Tax Dollar is Spent".

THE ESTIMATES

NATIONAL FINANCE COMMITTEE EMPOWERED 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 proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1974, in advance of bills based upon the said Estimates reaching the Senate.

Motion agreed to.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Hicks, calling the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.

Hon. Eugene A. Forsey: Honourable senators, I rise chiefly for the purpose of giving my heartiest and strongest support to the speech which Senator Hicks made last week on this subject. It seems to me that it was a most important and most valuable speech. I hope it will be considered very carefully by the powers that be.

• (1420)

I should like to draw attention first of all particularly to the exact terms of section 93 of the British North America Act dealing with education. I emphasize the point which has already been made by Senator Hicks—but I think it is worth emphasizing, worth repeating—that that section confides to the provincial legislatures exclusive jurisdiction over education "in and for each province." I don't think those words are without significance. I am, of course, bolstered in that lay opinion by the professional opinion, the very high professional opinion, of Dr. Corry, the former principal of Queen's University and, of course, by the professional opinion of Senator Hicks himself.

I think, essentially, that means that while there are certainly provincial aspects of education there are also national aspects of education and that this was in the minds of the Fathers of Confederation when they drafted that section in the precise terms that they did.

True, in those days the probability is that the national aspects of education were considered to be of minor importance. They probably thought very little about it, because the provinces then had very little in the way of direct communication with each other. National unity had still to be forged. The Intercolonial Railway, let alone the Canadian Pacific Railway, had yet to be built; there was still great isolation of one province from another and, overwhelmingly, education was obviously a provincial concern, quite apart from the necessary guarantee of the special rights of the French Canadian population in Quebec to control their education as they saw fit and not to have something imposed upon them by a majority of a different origin and a different religious faith.

I have noticed a curiosity on this subject in the Revised Statutes of Canada. If you look at the French version of the British North America Act, section 93, in the compilations, the successive compilations of Dr. Ollivier, the former Law Clerk of the House of Commons, you will see that the phrase "in and for each province" is very precisely translated, "dans chaque province et pour chaque province." If you look at the latest official version of the British North America Act in the Revised Statutes of Canada, however, you will find, for some reason which is completely unintelligible, incomprehensible to me, that the French version reads simply, "dans chaque province." The "pour chaque province" has disappeared. Why, I don't know. I remonstrated. I called up the proper officials of the Department of Justice and was informed by somebody who had been in charge of the translation that they had carefully collated all the earliest translations and had decided that this was the proper thing. I take leave to question that very seriously, and I think it is unfortunate, very unfortunate, that in the French version of that section in the Revised Statutes of Canada the words, "pour chaque province," which must have had some significance and at any rate are certainly there in English in the text of the British North America Act, have been dropped.

We had an example here the other day of something getting left out in a French version or an English version, I have forgotten which, by sheer inadvertence. I had an example of it also when I was on the Board of Broadcast Governors, when the omission of a certain phrase in the French text caused an immense amount of difficulty and misunderstanding. I am inclined to think that this omission, as I consider it, in the French version of the British North America Act in the Revised Statutes of Canada could also lead to unfortunate misunderstandings and could lead to French-speaking people placing one interpretation upon the section and English-speaking people placing another interpretation and their arguing very much at cross-purposes.

However, I am relying on the original text of the British North America Act, "in and for each province", and it seems to me that, whatever may have been the case 100 years ago, nowadays there is a great deal in post-secondary education and, specifically, university education which by no stretch of the imagination can be regarded as "in and for each province."

Nowadays people go to universities far away from their homes. People from Ontario go to the University of British Columbia or they go to the University of New Brunswick, more particularly for forestry, or they go to Dalhousie University; or people from the Maritime provinces come up here or go out to the West for part or all of their university education. A great deal of the university education is for people from quite outside the province altogether. And a very considerable part of it also, of course, is for people from outside the country, not only the people who come here from the United States to go to renowned medical faculties like those at McGill or Dalhousie, not to mention some others with which I am less familiar, but also people who come from the underdeveloped countries—what do you call them now?—the developing countries. One has to keep pace with the euphemisms which are constantly applied. But, as I say, I am speaking of the people who come from the underdeveloped or the developing countries, the people who come here from the third world—the hungry two-thirds of the world—to do post-graduate work or even undergraduate work in our universities.

An immense amount of the expenditure of the universities is really for purposes quite beyond the needs of the province or the desires of the people of the province. This is, in my judgment, as it should be. It is to my mind a highly desirable thing that people from one province should go to universities in other provinces for part or all of their university education; it broadens their minds, it gives them a new understanding of other parts of the country, and heaven knows we need that. One of the things we suffer from most in this country is that people from one section so often have very little knowledge, direct knowledge or experience, of other sections or of people in those sections. This complicates the difficulties we have because of our two basic or official languages, and the fact that people familiar with one of them are often totally or very nearly totally unfamiliar with the other.

When you superimpose on that difficulty, which is already considerable enough, the further difficulty that even people belonging to the same language group tend, too often, perhaps, to stay in their own particular province for their higher education, you have one of the major obstacles to the development of a real national unity.

So that is the first point I want to make—that a great deal of university education now is not simply "in and for each province." It has taken on a national dimension. Senator Hicks even suggested that we might find in the British North America Act, apart from that phrase in section 93, some warrant for national assistance to post-secondary education in the general words at the opening of section 91—"Peace, order and good government of Canada"—except for the classes of subjects assigned exclusively to the legislatures of the provinces. And in the case of education, of course, you would have to read that, in my interpretation, as subject to the phrase "in and for each province." The exclusive jurisdiction of the legislature of a province extends over education "in and for each province" only, subject always to the safeguards for the denominational minorities in the subsequent paragraphs of section 93.

I think this national aspect of education is enormously important. One of the things we require most, as I have just been suggesting, is more mobility in this country between different parts of the country, and especially more mobility for educated people. This is an aspect, also, of the policy which I think is common to all parties, of trying to reduce, if not eliminate, regional disparities. Economic disparities are important. They are not altogether unrelated to educational disparities. If we want to get rid of these regional disparities, or reduce them, which I think we all do, this, to my mind, is one of the most important aspects of that particular question. If we are really serious about reducing these disparities in different parts of the country then we should be prepared to use some national funds for the purpose of removing these regional disparities in education.

• (1430)

There are, of course, a variety of methods by which this can be done.

Hon. Mr. Asselin: With the consent of the provinces.

Hon. Mr. Forsey: Not necessarily, no. This is basic to my argument that under the British North America Act there are national aspects of education. The Judicial Committee of the Privy Council long ago recognized that "subjects which for one purpose and one aspect fall within the jurisdiction of the provinces, for another purpose and another aspect fall within the jurisdiction of the dominion." This is a basic principle of the interpretation of our Constitution. Whether we like it or not, there it is. Now it is perfectly open to any honourable senator to argue that as a matter of political expediency, or even as a matter of what should be done constitutionally, the provinces should be consulted on this, and I think it is highly desirable that they should be consulted. But I suggest that there is a jurisdiction, nonetheless, and a jurisdiction also, I might add, in the dominion's spending power for the national government and Parliament to do as in fact they have been doing—something to assist post-secondary education across the country. If they can do it by way of arrangement with the provinces, so much the better.

I was about to add when Senator Asselin interjected his interesting and valuable comment that the methods by which this might be done, it seems to me, can vary very considerably. I am not prepared to say that you have to have one particular way of doing a thing for every particular province. And if a particular province prefers to have an arrangement of one kind and another province an arrangement of another kind, I do not see any theoretical obstacle to that. Nobody is stronger for national unity than I am, and nobody is less enamoured of the theory of two nations or 10 sovereign states. But administrative or even legislative arrangements varying from province to province for national legislation or national policy, it seems to me, are perfectly proper and may be highly desirable, provided they are kept within reasonable bounds.

One thing I think we want to be very careful about in making these arrangements is that we do not hand out the money of the national Treasury in a manner which is inequitable or, to put it more bluntly, tends to make the richer provinces still richer and the poorer provinces still poorer. I think we have to face the fact that in any dominion aid to post-secondary education we shall have to give special consideration and an extra amount of money in one form or another to the poorer provinces. It seems to me this is inescapable. Otherwise the whole purpose of the exercise is partially, if not wholly, defeated. This means, of course, that the Atlantic provinces particularly, with which I have a rather special concern, a hereditary concern you might say, will have to get quite different treatment obviously from the provinces of Ontario, British Columbia and Alberta which are in a much better position to look after all their educational needs as well as other needs without any assistance. But I do not want to go into the technicalities of the thing. This would take me far beyond my competence, my knowledge for one thing. I merely want to insist on the necessity of some form of national help for post-secondary education and the variety of forms which that has taken; and on the necessity of seeing to it that the disinherited, the disadvantaged, the backward, the underdeveloped, the developing—we hope—regions of Canada do not get the short end of the stick or are not treated exactly the same as the richer parts of Canada, on the assumption that every province is a province like the others. This is certainly not true.

I want, before I sit down, to mention one or two other things arising out of the speech which the Honourable Senator O'Leary gave. We had from Senator O'Leary a characteristically noble and beautifully phrased discourse on the philosophy and essence of education, with all of which I need hardly say I entirely agree as, I should imagine, every member of this house does. But, on the other hand, I could not help feeling as I listened to Senator O'Leary that what he was saying about the essence of education was not markedly relevant to the kind of problem that Senator Hicks had raised. I should be inclined to agree that the universities in the last few years have perhaps rather overemphasized buildings and creature comforts. I cannot look back as far as Senator O'Leary, but I can look back a certain distance, and I can say that when I was a student the kind of amenities that were provided for us were far less than those that are provided now. But then, on the other hand, everybody is now very considerably better off than people were 40 or 50 years ago and I do not know that there is any particular reason why university students should be regarded as excluded from this. I am prepared to agree that there may have been overemphasis on the physical amenities of universities in the last few years and this may have got out of proportion. I am all in favour, on the whole, of plain living and high thinking. This is, perhaps, part of my New England, Ulster and Methodist heritage, but I do not know that that really touches the essence of what Senator Hicks was saying. If the universities pared away every scrap of the fat that they may have now—and in some cases as far as buildings are concerned they cannot do much about them, they are there and they may as well be used—but if they pared away every bit of superfluity, they still would have an extraordinarily difficult position, especially in the poorer provinces, notably in the Atlantic provinces.

As I listened to Senator O'Leary talking, for example, about the Dalhousie Law School and the immense pride of the students there, not in the beautiful new building in which it is housed, but in the great reputation and renown of the Dalhousie Law School—especially in the days of the great Dean Weldon, but I think I may safely say much more recently than that as well—I could not help feeling that, after all, you cannot very well have a law faculty, in modern circumstances at any rate, without giving it reasonable housing. The essence of the family is not the house, but the family needs shelter. The essence of a law faculty or a university generally is not the buildings, no; but the students and the professors need adequate facilities and the facilities which were adequate in my youth are not necessarily adequate now. Senator O'Leary talked also in the same context about Johns Hopkins and how it started off, in a field I think it was, and how it tried to concentrate on professors rather than on buildings. He indicated it had since fallen from grace in this matter. But again, as I thought of this emphasis on professors I said to myself yes, but after all, if you are considering universities in the poorer provinces, if they want to attract and keep good professors, which I agree with Senator O'Leary is the essence, or a large part of the essence, of university education, then they have to be to a certain extent competitive with the universities in the rest of the country in the salaries and amenities which they can offer.

• (1440)

Now I am prepared to admit that they do not have to come up absolutely to arithmetical quality in salaries with the universities in the richer provinces. People in the Atlantic provinces, I suppose, ought to be prepared, out of devotion to the Atlantic provinces, to take rather lower salaries in university education. But there is a limit, in fact, to the degree to which you can expect them to do that.

This business of national aid to education is not going to be solely concerned by any means with buildings. It is going to be concerned, surely, with university salaries, with aid to students, bursaries, loans, grants, whatever form it takes. I think therefore that some of Senator O'Leary's admirable discourse on the essence of education, particularly university education, post-secondary

education, was perhaps not entirely directed to the kind of problem that Senator Hicks was raising, which I think is a very serious practical problem which will have to be resolved on some basis in the very near future.

There was one other thing that Senator O'Leary said that I think requires comment. He drew a distinction between education and the teaching of skills. Well, obviously, that is so. He is quite correct about that. On the other hand, some skills, professional skills, have long been regarded, and I think properly regarded, as part of the function of a university. For some considerable time at least, professional training in the law has been, to a considerable degree at any rate, regarded as the function of the university. This is becoming truer and truer. I think this is desirable. We have had some very great lawyers—we have some in this house—who came through the old system of non-university professional training for the law, getting articled to a lawyer and studying in the lawyer's office, under his control, and eventually passing the bar examinations, and so on. Sir Robert Borden was a very notable example of the brilliant success of this old system. But more and more we have found that the professional training of lawyers has been confided to university faculties of law.

I think this is a healthy development, because if the university faculties of law are doing their job properly, they should be doing something more than simply giving the lawyers a technical proficiency in the law. They should be giving them some conception of the place of law in society, some conception of the social ambience of the law, some conception of the relationship of law with history, with economics, with politics, with sociology; and I think they are doing this more and more. I think the consensus of opinion among lawyers nowadays is that this kind of thing is necessary, that the narrow technical training of other days, good though it may have been, excellent though it may have been, nevertheless had certain deficiencies; and if you turn to other branches of professional education, the same thing holds to some degree, it seems to me.

In medical schools now they usually require, if I am not mistaken, some premedical work in arts faculties, something that will give the modern doctor more than just sheer professional skill. The modern doctor more and more is drawn into discussion of, and contact with, sociological, economic and political aspects of his profession. A lot of them don't like it, but it can't be helped. There is no question at all that when you have a system of hospital insurance and a system of medicare, the doctor cannot just withdraw into some ivory tower of his own and say, "I am not concerned with it in any way." Even if he insists on getting direct payment from his patients, he has to take cognizance of the fact that there is a scheme under which certain things will be done, and more and more he is finding that he is drawn into a discussion of whether the particular scheme which exists now is desirable or whether it isn't desirable, a subject on which the health professions ought certainly to be heard amply, but on which also the narrow professional technical skill of the health professions is not the sole or even the final consideration. It seems to me highly desirable that professional training of all these people that go to professional schools and universities, such as engineers, dentists, or whoever they are, should be confided to the universities precisely for the purpose of giving these people, in the course of their technical training, some conception of the sort of thing that Senator O'Leary was talking about.

I am not prepared therefore to go all the way with Senator O'Leary in the consequences which he appears to draw from his distinction between professional training and university education.

I think I have now covered the ground that I wanted to cover. I haven't really added anything essential to what Senator Hicks said, but it may be useful, perhaps, for someone from another part of the country than Senator Hicks, with somewhat widely different experience, and with some semiprofessional connection with a university in this province—it may be useful for the Senate to have some support of Senator Hicks' proposals, Senator Hicks' views, and some emphasis upon them.

I suppose one can overdo emphasis and repetition. I trust I have not committed that fault, but I think there is some room for emphasis and some room even for repetition. I very much hope that in the discussions which will be taking place, which are perhaps on the verge of opening, between the Government of Canada and the governments of the provinces in regard to post-secondary education, considerations of the kind that Senator Hicks raised the other day will be looked into very seriously, and the thing will not be regulated simply on the basis of hard cash transactions between the Minister of Finance and the provincial treasurers and ministers of finance, but that some of these great considerations of national unity and of a national spirit will enter into the discussions.

[*Translation*]

Hon. Martial Asselin: Honourable senators, my remarks will be very brief. I should not like this debate initiated by Senator Hicks to immediately reflect the consensus of senators from another province on such an important issue as the one now before us.

Short of bending the Constitution and legislation relative thereto, it has not yet been established by courts that education *per se* does not come under the exclusive jurisdiction of provinces, whatever you may call it, elementary, secondary or post-university education, and even Senator Forsey will not convince me that experts in constitutional law and the courts of our country have given any other meaning to the word "education" than that contained in the Constitution, i.e., a power exclusive to the provinces.

I rise today, honourable senators, because it may be that for our English-speaking colleagues, who live in other provinces such as Ontario, the English-speaking provinces, the meaning of the word "education" in their own language goes beyond that expressed in our constitutional documents. However, in Quebec, whatever government we have had, whether Liberal or Union Nationale, we have never accepted any other interpretation of the wording in the Constitution but that education comes under the exclusive jurisdiction of provinces, justifiably in our case because, honourable senators, we do not have the same teaching methods and we do not speak the same language.

We do not teach common law and our civil law is designed for the protection of the family and of individuals.

So, if English-speaking provinces can accept federal grants for primary, secondary or post-graduate education, it is their right because in those provinces, of course, with regard to common law, you have the same spirit, the same facility to interpret the statutes but there is a very big difference in our province with civil law, and Senator Forsey will agree with me on that point.

However enlightening may have been Senator Hicks' speech on this extremely important problem, as well as that of my colleague, Senator O'Leary, and the one made by Senator Forsey this afternoon, I think that if the federal government wants to keep on meddling with matters which come exclusively under provincial jurisdiction, it falls short of the target, and heaven knows that if there is an area of exclusive provincial jurisdiction, it is that of education.

I think I am really discharging my duty, my responsibilities as a senator from Quebec, not in order to object to this debate, but to say to my English-speaking colleagues that we do not give the same meaning to the word "education" in the wording of the Constitution as Senator Forsey did this afternoon and Senator Hicks the other day.

• (1450)

When Senator Forsey spoke this afternoon about the mobility of education, I agree with him and for good reason, since we have had, for several years now, a committee of all provincial ministers of education which meets at least twice a year to study the standards that should be recognized by the various provinces in order to allow all our university graduates to practice their profession in provinces other than the one in which they were graduated as lawyers, doctors or engineers. Speaking of interprovincial mobility, it already exists, and Senator Forsey is aware of it. Obviously, it may not have reached perfection, but we already have an embryo for consultation between the provincial ministers of education with a view to giving our university students the possibility of furthering their studies in their chosen sphere in one province or another. But if the federal government has so much money to spend, why does it persist in interfering in fields of exclusive provincial jurisdiction? In that regard, I will never accept that the federal government spend sums of money without consulting the provinces, especially Quebec—and I repeat it—because Quebec does not have the same teaching methods, nor the same education; we do not speak the same tongue, our religion is different. Our definition of education is different whether it be primary, secondary, university or post-graduate, and I object again on that point.

Moreover, honourable senators, if we want federalism to survive we must let the provinces which have an exclusive jurisdiction in some fields exercise their rights. If the federal government has too much money, if it wants to spend part of it on education, let it give some to those provinces which want to exercise their exclusive jurisdiction; let it give it to them unconditionally so as to enable them to carry out their responsibilities in that sphere.

I am not saying, honourable senators, that this debate is not likely to crop up again in this house or at the other place, but I say, as a Quebec senator, that never will I accept that the federal government interfere in a field as important as education. Unfortunately, I would be unable to support, if ever a motion were introduced in this house, Senator Hicks' views on federal grants to post-secondary education.

That was what I wanted to say, honourable senators.

Hon. Mr. Forsey: May I put two questions to Senator Asselin? Will Senator Asselin allow me?

They are two extremely simple questions.

First, if I understood him correctly, he said that no expert on constitutional law supports the position of Senator Hicks. But I believe that Senator Hicks himself quoted Dr. Corry who, in my view, is an expert in constitutional law.

I think that he could also have quoted Professor Frank Scott of McGill University who, in my opinion, enjoys a certain reputation as an expert in constitutional law.

I am not saying that there is unanimity on this, but I believe that the honourable senator will admit perhaps that there are experts in constitutional law who support Senator Hicks' interpretation of this matter.

My second question is the following: Has Quebec accepted in the form of the concession of tax points, as a kind of assistance to post-secondary education in Quebec? I think that the province has accepted that, and I believe that it is one of the methods that Senator Hicks has suggested, because it already exists in the arrangements with the provinces in this regard, and I feel that Senator Hicks certainly did not exclude this arrangement from his proposals.

I certainly did not intend to exclude such an arrangement. If Senator Asselin was left with that impression, I am sorry because such was not my intention at all.

I am asking those two questions. Are there experts in constitutional law who support Senator Hicks' interpretation? Did the province of Quebec accept this sharing of income tax for post-secondary education?

Hon. Mr. Asselin: I think it is easy enough to answer Senator Forsey's questions.

Those experts who expressed opinions are obviously centralizers.

Hon. Mr. Forsey: If you will allow me—

Hon. Mr. Asselin: One moment; you gave your opinion, I will give mine.

I know Professor Scott who taught me for a few months. Professor Scott will never think otherwise than in terms of centralization in favour of the federal government at the expense of the provinces. I am not saying that you are completely wrong about those three experts. I am saying that some experts have supported Senator Hicks' point of view, and I am saying that I do not agree.

If Senator Forsey can quote me a judgment of the Supreme Court which says that education should be shared by the federal government and the provinces, very well, but there are none and if such a judgment existed, I would not accept it.

It is not because Professor Scott endorsed the opinion of another expert in constitutional law that those people have the monopoly of truth.

On this point, I question their opinion.

Secondly, it was stated that the province had accepted points with regard to post-secondary education—this is true. But I must tell Senator Forsey that when we came to office in 1958, a considerable amount of money intended for the University Conference was frozen at the federal level and it was then that Mr. Sauvé and Mr. Diefenbaker found a formula to give back to the universities, through the provinces, this money which had been held back for years at the time of Mr. St. Laurent.

Senator Forsey is sufficiently aware of our political history to remember that. At that time, the province of Quebec agreed to it without condition. Quebec accepted that those payments should be made to the province and that the latter, taking into account the priorities and needs of the university, should distribute those payments to those most in need. I repeat that I agree that the federal government should help the provinces in the field of education. However, I say that education is under the exclusive jurisdiction of the provinces and that the payments made to the provinces in fields under their jurisdiction must be unconditional payments with no strings attached, so that the provinces may decide about their own priorities, their educational needs and the universities which they have to help.

Hon. Mr. Lafond: Will Senator Asselin agree that the time of Mr. St. Laurent was also the time of Mr. Duplessis?

Hon. Mr. Choquette: This changes nothing.

Hon. Mr. Flynn: What does it change?

Hon. Mr. Asselin: I must say this: Mr. St. Laurent, in the fields to which we are referring, was never able to agree on satisfactory arrangements with Quebec. Mr. Sauvé had to propose a formula to the federal government of Mr. Diefenbaker at that time and say that this formula was acceptable to Quebecers. If Mr. St. Laurent had had more imagination, perhaps he would have found this formula that Mr. Diefenbaker found at that time.

Hon. Mr. Goldenberg: Would Senator Asselin permit a question?

You mentioned federal payments to the provinces. You said these payments must be unconditional. Is it not true that right now payments are unconditional and that the money is spent by the provinces according to their own policies?

Hon. Mr. Asselin: Yes, it is true, but it takes time to get anything from the federal government.

There is another field, that is, family allowances, where the provincial minister Mr. Castonguay has been struggling to obtain a satisfactory formula. This has been going on for two years. However, some condition is always laid down. Why? Perhaps to preserve national unity, university standards and relations throughout the country. However, I would say, for example, if Senator Hicks and Senator Forsey mean to say that the federal government is empowered to give grants to post-graduate students without consulting the provinces, that they are on the wrong track. This is against my principles.

Hon. Mr. Flynn: As for Senator Goldenberg, firstly, when he states that grants are unconditional today, I hope that he does not forget that the formula was established by the Diefenbaker government, especially by the Honourable Donald Fleming, then Minister of Finance, in 1959-60. Secondly, as for the entire problem, is Mr. Turner's budget, which includes the problem of school taxes in the equalization formula, not moving in the same direction and does it not recognize that the provinces themselves must solve those questions? However it comes quite late, as a result of repeated requests by several governments, especially the Quebec government.

Hon. Mr. Goldenberg: If you will allow me, I talked only of grants to universities. I did not mention the Liberal government or the Diefenbaker government. I understand what you have just said.

However, in the case of grants to universities, it is the provinces who spend the money, unconditionally, according to their own needs and to their policy.

Hon. Mr. Asselin: Unconditionally. With that principle, I agree. If anybody wants to change this principle, I am against it.

On motion of Senator Cameron debate adjourned.

• (1500)

[*English*]

AGRICULTURE

MOTION TO AUTHORIZE COMMITTEE TO EXAMINE ANY ASPECT OF AGRICULTURAL INDUSTRY—ORDER STANDS

On the Order:

Resuming the debate on the motion of the Honourable Senator Argue, seconded by the Honourable Senator Lafond:

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.—(*Honourable Senator Flynn, P.C.*).

Hon. Mr. Flynn: Honourable senators, I think this order should stand. We have had some discussions with Senators Argue and Molgat, and probably this motion could be redrafted in a way that would be acceptable, I should not say to myself but rather to the Senate as a whole.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Thursday, February 15, the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Mr. Langlois: Honourable senators, although this order stands in my name, I am pleased to yield to Senator Manning, if that is agreeable to the Senate.

The Hon. the Speaker: Honourable senators, is it agreed that Senator Manning should proceed in place of Senator Langlois, who adjourned the debate?

Hon. Senators: Agreed.

Hon. Ernest C. Manning: Honourable senators, I commend Senator Cameron for placing on the Order Paper the inquiry with respect to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation. Both Senator Cameron and Senator Argue have pointed out that the subject matter of this inquiry is one of the factors that has for a long time been the cause of a great deal of dissatisfaction in Western Canada. This question goes beyond the mere economics of transportation. It relates to a prominent cause of regional dissatisfaction and, therefore, it is inseparable from the public concern over the feeling of alienation that has developed in various regions in recent years.

• (1510)

We are all conscious of the fact that the future of Confederation depends to a large degree on the ability of the Canadian people and Canadian governments to remove the feelings of alienation which have developed.

The present freight rate structure, while by no means the only cause of dissatisfaction in Western Canada, is definitely a long-standing grievance in that part of the country. Alberta has a special interest in this subject because of the geographic location of the province. Alberta is the farthest point removed from Central Canada of those regions which are subject to standard freight rates from Eastern Canada.

As was pointed out by Senator Cameron and Senator Argue, shippers in British Columbia can reap the benefit of what are known as the "seaboard" rates, which in some cases provide cheaper transportation for eastern manufactured products to British Columbia than for those same products when moved from Ontario to points in Alberta. It is equally true that in the case of primary products, such as grain, moving from Alberta to the Lakehead, our producers are the farthest removed and, therefore, bear the heaviest burden of the freight rates which apply.

It has rightly been said that the Canadian freight rate structure has been wonderfully and fearfully made. The average layman has difficulty in finding his way through the multiplicity of rates and factors pertaining to rates as they apply to the different regions. In our part of Canada, our shippers are very familiar with at least four broad categories. First, there is the seaboard rate to which I have referred, which permits the movement of certain products from Central Canada to the Pacific coast at substantially less cost than for the same products delivered to intermediate points. It is paradoxical, as Senator Argue pointed out in his excellent speech the other day, that products can be moved from the manufacturing centres of Ontario to seaboard in British Columbia, and then shipped back to Edmonton or Calgary in Alberta, for less cost than the same products can be dropped off in Edmonton or Calgary on their way to the Pacific coast. The reason is that if they go all the way to the coast they get the advantage of the seaboard rate which, theoretically at least, is related to the cost of seaborne traffic moving through the Panama Canal. The seaboard rate to Vancouver plus the short haul rate back to Alberta in some cases is less than the freight charges from Ontario to Edmonton and Calgary, even though the goods have been moved almost a thousand miles further.

We are very familiar in our part of the country with the Crowsnest Pass grain rates. The Senate had something to do with their origin many years ago. These are special rates applying to wheat moved from Western Canada to the Lakehead. The Crowsnest Pass grain rates have been the subject of debate for many years. The railway companies have maintained that these rates are uneconomic, and therefore must be subsidized by other freight charges. This view is disputed vehemently by the farmers' organizations in Western Canada. It has been the subject of considerable controversy down the years.

A third category of freight rates is known as "agreed charges." There are many of these. An agreed charge is a rate established when a certain industry agrees to ship its product over a certain railway, and in return is given a special rate for the movement of that product. There is a great multiplicity of these. Agreed charges are frequently the result of competition between the railways and truck transportation.

When you take out the volumes of traffic covered by those rate categories, you have left the commodities to which general freight rates apply. In the central provinces, where there is a large population and the movement of vast quantities of goods over relatively short distances, and where truck competition is more significant, a large volume of traffic is moved under agreed charges.

Every time a commodity is moved out of the general freight rate category into the agreed charge category, the total volume of freight movement remaining in the general rate category is reduced. When increased rates are implemented they are generally applied to the general freight rates. As the volume of traffic in that category decreases, the increases in rates become more and more severe on the remaining commodities. This has been the cause of a great deal of dissatisfaction amongst shippers in Western Canada.

Senator Argue pointed out the other day the impact of the present freight rates structure on Western industrialization. Those familiar with that part of Canada know that primarily it produces raw materials and primary products—wheat, coal, oil, lumber, and products of that kind. If we are going to have a stable economy in the Prairie provinces it is absolutely necessary that we have greater diversification in the form of more secondary industries. We are at a disadvantage in that regard because of a relatively small population and long distances to the major markets in the heavily populated areas of Canada and the United States. The bearing freight charges have on the development of secondary industries in the Prairie provinces is significant.

• (1520)

I recall that a number of years ago in Alberta we did a study on the impact of various factors pertinent to developing secondary industries. You very often hear it said, or read in your newspapers, that Alberta has an advantage in attracting industries because of our vast quantities of natural gas as an industrial fuel, and because we enjoy the lowest prices for natural gas anywhere in Canada. This is true, but the interesting thing that these studies showed was that the disadvantage to industry of locating

in Alberta because of high freight costs in almost every instance more than offsets the advantage we could offer by reason of cheaper fuel.

The present freight rate structure penalizes the western primary producer in two ways. It penalizes him because it is the producer who pays the freight rate charges on wheat or other primary products moved from Alberta to the Lakehead. It is not the purchaser. The price the farmer is quoted is the Lakehead price less the cost of freight from where the grain is delivered in Alberta. But when this same producer purchases farm equipment manufactured in Ontario, or buys a truck or an automobile, he is quoted the f.o.b. price Toronto, Windsor or Detroit, and then he has to pay the freight charges to where the equipment is delivered in Alberta. So he finds himself in a position where he is paying the freight costs on his outgoing primary products, and also paying the freight rate costs on the manufactured goods that are shipped into his part of the country.

It is not uncommon in Alberta—in fact, I have done this myself—that a person purchasing an automobile waits until he happens to be in eastern Canada, where he can pick up a car in Windsor, Detroit or Toronto and drive it back to Edmonton for a total cost that is less than the price for which he can buy it in Edmonton, because he gets the freight charges taken off the price of the vehicle.

Alberta, as I have said, has always been deeply concerned over freight costs, so much so that for over 25 years we maintained here in Ottawa a special counsel, whose major work was dealing with freight rate and shipping problems as they affected our particular province. There are perhaps honourable senators who are acquainted with Mr. J. J. Frawley, Q.C., who was our special counsel for a quarter of a century, and who became one of the best informed men in Canada in the intricacies of the Canadian freight rate structure.

On many occasions we made representations through our counsel to the Board of Transport Commissioners, to various royal commissions, and to boards of inquiry set up by the Government of Canada. Frequently submissions were made jointly by the Prairie provinces, and sometimes by the four western provinces. On some occasions we were joined by the Maritime provinces, whose problem is quite similar in many respects; sometimes we were alone. In our efforts to get redress from the inequities inherent in the freight rate structure, our greatest disappointment was the lack of appreciation by the national government of the nature and the seriousness of the problem. Time and time again we would meet the attitude, "Oh, well, you people out in the Prairie provinces are always complaining." There seemed to be no real understanding that this was not merely a regional but a national problem, that it had a significant bearing on the growth of Western Canada, and that as I said earlier, it had a significant bearing on the growing dissatisfaction of the people in that area of Canada and the alienation which results from such dissatisfaction.

Honourable senators, I am not going to take up your time in discussing the complicated technical aspects of the freight rate structure and the inequities which, in our view, are inherent in that structure, but I would like to try to pinpoint a few of the basic factors that underlie this problem. The first, of course, is the fact of geography and population distribution. Where you have density of population and large volumes of traffic, this naturally makes for cheaper transportation costs. That is true in central Canada. Also, as I have said, these circumstances invite truck competition, which has a significant impact on freight rates. When you get west of central Ontario you have a vast stretch of territory through northern and western Ontario, and the eastern side of Manitoba, which is sparsely populated and has very little activity which generates freight movement. That is the case until you get to Winnipeg and then further on to Saskatoon, Regina, Edmonton, Calgary, and so on. To be fair to the railways, they are faced with very high transportation costs in moving products in either direction over that 1,000 miles of territory where very little traffic is generated, and where the population is sparsely settled. As a result, you have a costly proposition to provide transportation services between central Canada and the Prairie provinces.

• (1530)

A second factor that enters into this problem is that in Canada we have both a private and a public railway system. We have the Canadian National which is backed by the taxpayers of Canada, and the Canadian Pacific which is, of course, one of the world's great transportation companies—in fact, it is a conglomerate engaged in many lines of endeavour. The co-existence of these two types of transportation companies leads to considerable duplication of capital and operating costs. The fact that the Canadian National is backed by the taxpayers of Canada does not stimulate efficiency, because if there is a deficit there is always the taxpayer to pick it up.

The Canadian Pacific is involved in land ownership and development on a large scale and also in resource development—oil, gas, coal, minerals, and so on. It has large ocean transport interests. It is involved in air transport and in operating a large chain of hotels. CP Investments is involved in real estate and other activities in the investment field. This in itself has given rise to some controversy as far as the shippers using the rail services of the company are concerned. In the case of a conglomerate of this kind the question arises: Should the rail transportation service stand entirely on its own feet? Should the mineral division stand on its own feet? Should the hotel chain stand on its own feet? Naturally, that is the position of the company, and understandably so. But I think you can also understand the attitude of many shippers who say that if the company is making a profit in this field, and a profit in that field, but losing in another field, there should be a financial interrelationship between the entities of which the company is comprised.

The Canadian Pacific undertook the construction of the transcontinental railway, as one of the conditions under which the Province of British Columbia entered into Confederation. The land and mineral grants in Western Canada associated with the building of that railway have been a matter of considerable debate. I think the debate sometimes has been unfair to the company which carried out the commitments it made at that time. But you have people, especially those who have not taken the time to go back into the history of the matter, who say, "The company was handed a great deal of land and was given mineral

grants, and this imposes continuing obligations with respect to the provision of freight services and the correction of inequities that may develop within those services."

In the matter of competitive transportation, the trucking industry is a significant factor. Over the years, as the trucking industry became a significant competitor of the railways, both railways have themselves moved into the trucking industry on a large scale.

I believe you are all familiar with what has happened to rail passenger services in recent years. Senator Cameron made some interesting observations on this the other day. Rail passenger services have been very significantly reduced by two things—one is air transportation, and the second is the automobile. In a country the size of Canada this is inevitable. I well recall in the early days when I was in the Government of Alberta, before we had airline services, when we were required to come to Ottawa, it involved three nights and two days on the train each way. This meant that in order to have a meeting of one or two days in Ottawa it was necessary to be away from our offices for a week.

The situation is very different now. You can step on a plane in Edmonton, and three hours and 15 minutes later you are in Toronto, non-stop, and a further 45 minutes to Ottawa. In a nation with such vast distances as Canada, people are naturally going to go by the most rapid type of transportation. That is inevitable.

On short-haul passenger travel, the automobile has pretty well eliminated rail travel on the branch lines. In fairness to the railway companies, it should be said that some of the criticism that is raised when the railways suggest taking off a local passenger service is not always justified and is not always fair. I recall occasions when there were hearings on this subject, and people came from 50 to 100 miles either side of the point where the hearing was held to protest against the removal of a dayliner that ran every other day or so. The interesting thing was that every party to the protest drove in by automobile; nobody came by the dayliner. The railway company rightly asked, "Is it just for sentimental reasons that you want to keep the dayliner service? We cannot operate without passengers."

Senator Cameron put his finger on an interesting point the other day, when he said it may well be that the railway companies have not gone out of their way to make rail travel attractive. Perhaps more could have been done, as it has been done in some other countries, to make this form of travel attractive even for the short haul. But certainly that is not the fact in Canada, and as a result rail passenger service has been a very heavy financial drain on both railways for a long time. If we are going to be consistent and fair, it is no use saying to the railway companies, "Our freight rates are too high and our transportation costs are too high," and at the same time insist that they maintain services which are being used by the public to such a small degree that they are demonstrably uneconomic, and therefore add to the problem we want to see resolved.

In all of these transportation matters the factor of government regulation figures prominently. Senator Argue outlined one of the basic changes which has taken place in recent years. It used to be that when a railway company wanted to increase freight rates it filed a notice of its desire, and then had to prove to the Board of Transport Commissioners that in fact the increase was necessary. That has now been changed. Today they file a 30-day notice of intent, and the burden now rests on the shippers to prove that the company does not require the increase, and if they cannot do this it automatically goes into effect. None of the various forms of government regulations to date has proved entirely satisfactory, and certainly they have not resolved the basic problem or removed the growing dissatisfaction.

In Senator Cameron's address the other day, and also in Senator Argue's, the question was raised as to whether the time has now come for another royal commission or some form of inquiry into this whole problem. From my experience in this field for more than 30 years, I have to say that I am less than enthusiastic about the idea of setting up another royal commission or another inquiry. We have had a number of these inquiries, and we have not very much to show for all the time and money and all the effort that has been spent.

• (1540)

It is clear to me that this question of dissatisfaction over freight rates is an integral part of a larger problem which will never be resolved until there is first of all a major policy decision by the Government of Canada. I am convinced that what we need in this country is a comprehensive national transportation policy that takes into account not merely disparities in the freight structure between the Prairie provinces and Central Canada, and the Maritime provinces and Central Canada, but that takes into account the total role of transportation in the economic development of a nation. Beyond the economic factors, there must also be taken into account the impact of an unsatisfactory transportation system on the social and political well-being of the nation, including the regional dissatisfactions, the regional alienations, to which I have already made reference.

It is my conclusion that until the Government of Canada recognizes the need to develop a comprehensive national transportation policy in this country very little will be accomplished by setting up more royal commissions and boards of inquiry in an endeavour to thresh straw that has already been threshed many times. To date I have seen little, if any, indication on the part of successive federal governments to recognize the importance of a national transportation policy, and have the determination to see that such a policy is developed.

Without wearying you with details, let me close by commenting on a few of the factors that are pertinent to a comprehensive national transportation policy. In the first place, it is important that the central government have a full and detailed knowledge of the transportation requirements of each major region of Canada, and of the nation as a whole. Let us begin by finding out what we actually require to provide this country with an adequate, satisfactory overall transportation system. Hand in hand with that, there should be an inventory of all existing transportation facilities—rail, truck, air—or in other words all of the facilities which currently exist. It would then be possible to determine the extent to which the existing facilities measure up to what is required to provide an adequate

overall transportation structure for Canada. It would be possible to determine whether there is unnecessary and costly duplication, and whether there are gaps where services are not being provided at all, or at prohibitive costs.

The formation of a meaningful national transportation policy would require a decision as to the degree to which rate equalization is desirable in the national interest, and the development of a formula to bring about whatever measure of equalization is justified.

Honourable senators, equalization is not an unknown factor in Canada. We have created all kinds of programs in this country in an endeavour to bring about greater equality between different regions. The budget which is now being debated in the other place includes another $190 million of public funds to increase the equalization payments to seven out of the ten provinces of Canada. The argument is that this is necessary for the good of the nation as a whole. I am not disputing that argument. I think there are inequities in it, from the standpoint of Ontario, Alberta and British Columbia who receive nothing in return but have to put up most of the money. The principle of equalization is accepted. Why is it then that when we come to the matter of transportation in a vast country where transportation cost differentials are excessive between the heavily populated areas and the sparsely populated areas, we say it is the shippers' problem and not the responsibility of the state?

To be fair, there are certain equalization factors built into the present freight rate structure. I do not want to leave the impression that this is not so. But it would be hard to think of a single situation more deserving of an intelligent examination to determine the extent to which equalization factors are necessary in the public interest than the case of the transportation system of this country.

A comprehensive national transportation policy would also involve a determination of the extent to which public subsidies are necessary. We have public subsidies with regard to our railways today. But as a nation we must decide the extent and form of subsidies necessary to provide this country with the kind of transportation system necessary for sound economic and industrial growth, and which will remove regional disparities and inequities. We are doing this today, but certainly not on any well thought-out scientific formula which surely could be developed if this matter were adequately examined.

Finally, there would have to be determined the extent to which government regulations regarding transportation facilities and rates are necessary. I am an opponent of government regulations wherever they can be avoided. I believe the more you leave the economy open to free competition the sounder the structure and the greater efficiency you acquire. At the same time, if we are going to impose equalization to some degree by law, if we are going to subsidize transportation to some degree from the public purse, then obviously there is a responsibility to have whatever measure of government regulation is necessary to protect the public interest.

• (1550)

Honourable senators, I express my appreciation to Senator Cameron for raising this issue. I suggest again that the most constructive way in which we in this house can proceed is to consider the desirability of a comprehensive national transportation policy, and urge on the Government of Canada the necessity and importance of a policy decision to develop and implement such a policy. If this is done, it should be done in co-operation with the railways, the trucking firms and the airlines, all of which have a vast stake in providing transportation facilities and in their successful operation. I am confident there would be a warm response from all major transportation companies in this country if the Government of Canada were to say it has decided that the time has come to develop a meaningful, comprehensive transportation policy and wished to sit down with the companies and work out the very best arrangement that it is possible to develop.

On motion of Senator Fournier (Madawaska-Restigouche), debate adjourned.

BUSINESS OF THE SENATE

Hon. Mr. Molgat: Honourable senators, before the adjournment I should like to remind you that the Special Senate Committee on Science Policy is meeting now in Room 356-S.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 22, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Department of the Environment for the fiscal year ended March 31, 1972, pursuant to section 7 of the Department of the Environment Act, part I of chapter 42, Statutes of Canada, 1970-71-72.

INTERNAL ECONOMY

BUDGET OF FOREIGN AFFAIRS COMMITTEE TABLED

Hon. Donald Smith, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Foreign Affairs for the proposed expenditures of the said Committee on Foreign Affairs with regard to its examination of Canadian relations with the expanded European communities, authorized by the Senate on February 14, 1973.

SUPPLEMENTARY BUDGET OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TABLED

Hon. Donald Smith, Chairman of the Standing Committee on Internal Economy, Budgets and Administration, tabled the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on 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, authorized by the Senate on February 5, 1973.

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 budget presented to it by the Chairman of the Special Senate Committee on Science Policy, appointed February 5, 1973, for the proposed expenditures of the said special committee with respect to its work during the fiscal years 1972-73 and 1973-74.

MINUTES OF MEETINGS TABLED

Hon. Leopold Langlois, for Honourable Senator Martin, tabled:

Copy of minutes of a meeting of honourable senators authorized by resolution of the Senate of Canada on the 29th day of March, 1972, to act for and on behalf of the Senate during any period between sessions of Parliament or between Parliaments in all matters relating to the internal economy of the Senate, held in the office of the Leader of the Government in the Senate on Wednesday, the 20th day of September, 1972, at 3.00 p.m.

Copy of minutes of a meeting of honourable senators authorized by resolution of the Senate of Canada on the 29th day of March, 1972, to act for and on behalf of the Senate during any period between sessions of Parliament or between Parliaments in all matters relating to the internal economy of the Senate, held in the office of the Leader of the Government in the Senate on Wednesday, the 15th day of November, 1972, at 2.00 p.m.

25862—19½

APPROPRIATION BILL No. 1, 1973

SECOND READING—ORDER STANDS

On the Order:

Second Reading of the Bill C-141, intituled: "An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973".—(*Honourable Senator Langlois*).

Hon. Leopold Langlois: Honourable senators, with leave, I move second reading now.

Hon. Mr. Flynn: Stand until later.

Hon. Mr. Langois: Stand until later this day?

Hon. Mr. Flynn: Until later.

• (1410)

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Edgar Fournier: Honourable senators, it gives me great pleasure to add a few humble words to the debate on this important subject of transportation in Canada today and especially in the Maritimes and Newfoundland. I wish to let my friends from New Brunswick know that although I am not very strong and am still quite shaky, I am not dead yet and I still have these interests at heart.

I want to congratulate Senator Cameron, Senator Carter, Senator Argue, Senator Manning and all other senators who have taken part in the debate. My remarks will be short as the subject has been well covered from east to west and the problems are much alike across the nation. I see nothing that I could add. The cost of freight rates is gradually destroying our economy. Who is responsible for this sad situation? It is we, the legislators. On too many occasions we have waived our responsibilities to crown corporations, which have grown into giants. I

could name quite a few which have lost the sense of what they were created for. They are so powerful today that they disregard the duly elected members and the public in general.

It is true that once a year they present to a cabinet minister an annual report to be rubber-stamped, and to be patted on the back for their good behaviour.

If my figures are right, we have today some 46 crown corporations, a list of which may be found on page 847 of Volume II of Senate *Hansard* of 1969-70. My friends, it is an eye-opener and I suggest that we take time to look at it. Some of these corporations are small, I agree, but some are big, some bigger and some really too big and beyond control. I should like to mention in particular the CNR and the CBC. We, the legislators, appointed every one of these corporations. I have no hesitation in saying that many of them are very successful and served the country well before serving the corporations. In my view, that makes a big difference.

Coming more to the subject of transportation, every year we are faced with the same situation in the Standing Senate Committee on Transport and Communications when we are asked to rubber-stamp the estimates of the Canadian National even after more than half the estimates have been spent. This so-called act of good will lasts approximately three or four hours. The CNR officials have the same answer for every question. The regular excuse is that "it is done every year." But I note that they are not so hasty to answer simple notices of inquiries dealing with management.

[*Translation*]

Honourable senators, how can we sincerely justify such an action? How can we approve amounts of $50 or $60 million within a few hours without examining them thoroughly?

This is where we stand today. You must not be surprised if some of those corporations close their doors in the legislator's face.

In New Brunswick, transportation is the key to survival. Our agricultural, forest and sea products have to be moved across the country to the Western provinces or to the U.S. markets. We have no alternative. It is a matter of life or death. However, freight rates are being increased day after day without any consideration for the taxpayers.

[*English*]

I conclude my remarks by answering a question which was asked during the debate by Senator Graham, namely:

> Just what is the function of the Canadian Transport Commission, and what control does it have in a situation of this kind?

My answer is very simple. The control is limited, and in the past one of the major functions of the commission has been to rubber-stamp the requests or demands of the railways. I am of the opinion that it is high time that the commission justified its existence.

I believe that today we have arrived at a crisis which either we have refused to accept or have failed to recognize. Let us not wait until it is too late. It is late enough already. Therefore, I approve all of the recommendations. Nevertheless, I take some objection to some of the remarks made by Senator Manning yesterday, when he was giving us an example of the situation in Western Canada and spoke about people not using the passenger service any more. I don't disagree with his remarks concerning the West, but I am not ready to accept carte blanche that people are not using the railway passenger service any more. But, in any event, let us find out in the first place why there is a reduction in that service before we jump to any hasty conclusions.

Just by way of comparison, let me point out that the Amtrack on the American side, which is a subsidiary of Penn Central, which is six companies together, showed in their passenger service last year an increase of 14 per cent. Many of their trains have been put back in service. Even the train between Washington and Montreal has been put back into service and is running at capacity. I happen to know that because when I was there last week I tried for three days, without success, to get a reservation and finally gave up. Let us not overlook, either, the fact that in Canada in 1970, and I believe my figures are correct, 32 million people used the passenger service of the Canadian National and Canadian Pacific Railways. That is more than one and one-half times the population of Canada. That certainly indicates that the service is there. I have to agree, however, that there was a slight decrease from 1970 to 1971.

Just looking at transportation in general, what do we find? We find that our airports are crowded and our highways are overcrowded. The cost of maintaining highways, not to mention airports, is tremendous. Nor is there any question that we are ready to spend and are spending millions of dollars to improve highways, airports and other facilities. Despite that, however, we do very little to improve railway transporation. But what would happen if we were to put on our highways all of those people who use the railway passenger service—and remember that there were 32 million of them in 1970 and only slightly fewer in 1971? Our other modes of transportation could not possibly absorb them; neither the airlines nor the highways would be capable of taking care of such an increase in traffic.

Add to this the fact that we are now living in an age of widespread travelling. Young people, students of every age, businessmen, old people—everybody is travelling today. There is certainly no shortage of potential passengers. So, if people are not using the railways then let us find out why. It may be that there is a shortage of passenger service.

In my opinion a good passenger service is most essential to the economy of any country, but admittedly, and I want to stress this, it will cost a great deal of money because in many cases they will have to revamp their equipment in order to give better trains and better facilities. People today are demanding good service. They do not want to travel in a way that is less than comfortable. In fact, many passenger services have had to be reduced because suitable equipment and adequate comfort to the traveller was not provided. The rail-liners are not fit for long runs. If you have ever had to travel in one of them on a long journey, you will understand what I mean.

• (1420)

Honourable senators, the point I am trying to make in my brief remarks, to the best of my ability, is that we should try to find out why the companies cannot give adequate service before we accept this statement at its face value that people are just not using the trains any more.

On motion of Senator Cameron, for Senator Laing, debate adjourned.

AGRICULTURE

MOTION IN AMENDMENT—COMMITTEE AUTHORIZED TO EXAMINE ANY ASPECT OF AGRICULTURAL INDUSTRY

On the Order:

Resuming the debate on the motion of the Honourable Senator Argue, seconded by the Honourable Senator Lafond:

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.—(*Honourable Senator Flynn, P.C.*).

Hon. Mr. Flynn: Honourable senators, I understand that Senator Argue has a few words to say at this time so I shall yield to him.

Hon. Hazen Argue: Honourable senators, since the debate on the motion as it appeared on the Order Paper the other day, I have had an opportunity to discuss this matter with Senator Connolly (Ottawa West) and Senator Flynn. As a result, I have prepared an amendment to the motion as it appears on the Order Paper. I believe Senator Flynn and Senator Connolly concur with this amended motion, and therefore I ask leave, pursuant to rule 23, to modify the motion by changing the period after the word "Canada" to a colon and adding thereto the following:

provided that no special expenses shall be incurred by the committee without specific authorization by the Senate and full compliance with rule 83A, and that all Senators shall be notified of any scheduled meeting of the committee and the purpose thereof and that it report the result of any such examination to the Senate.

The Hon. the Speaker: Has the Honourable Senator Argue leave to modify his motion?

Hon. Senators: Agreed.

The Hon. the Speaker: It is moved by the Honourable Senator Argue, seconded by the Honourable Senator Lafond, that the Standing Senate Committee on Agriculture be empowered, without special reference by the Senate—

Hon. Senators: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

STANDING COMMITTEES

NOTICE OF MEETINGS

Hon. Gildas L. Molgat: Honourable senators, while the item about which I want to say a few words is not a direct inquiry, it was a request made some time ago by the Leader of the Opposition with regard to sending out notices of committees to all honourable senators. I said on a previous occasion that this matter was being investigated, and I am pleased to report that what he requested is feasible and will henceforth be done.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

STANDING JOINT COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat moved pursuant to notice:

That the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments have power to sit during adjournments of the Senate; and

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

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat moved pursuant to notice:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit during adjournments of the Senate.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat moved pursuant to notice:

That the Standing Senate Committee on Foreign Affairs have power to sit during adjournments of the Senate.

Motion agreed to.

APPROPRIATION BILL NO. 1, 1973

SECOND READING

Hon. Leopold Langlois moved the second reading of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

He said: Honourable senators, with leave—

Hon. Mr. Flynn: Would the honourable senator indicate for the record the reasons why he is asking leave?

Hon. Mr. Langlois: Honourable senators, I refrained from doing this yesterday because I did not want to leave the impression that we on this side of the house were

trying to rush this measure through. But with regard to what I said last week when I gave assurance that we were not going to ask for leave, the situation has changed, as it was explained in the other place the day before yesterday by the honourable President of the Treasury Board, Mr. Drury. I quote what Mr. Drury said as reported at page 1474 of *Hansard* of the House of Commons.

> I have been advised that with respect to the Manpower and Immigration programs, allowances to persons on Canada Manpower training courses, LIP grants and further payments in respect of LIP grants under the 1972-73 program and contract payments to companies giving on-the-job training to unemployed workers, all further payments in respect of these programs will have to be suspended commencing February 22. On that date the funds available for these programs will be exhausted. Without further parliamentary authorization it will not be possible to continue to make payments.

• (1430)

> Similarly, on the same day, Thursday, with regard to 74,700 recipients of war veterans allowances who are normally paid on the third last banking day of the month, unless approval is received by February 22 for mailing them, they will be delayed by the number of days beyond February 22 that it takes to secure royal assent to this bill. I might add that in addition to the 74,700 recipients of war veterans allowance there will also be similarly affected 3,300 recipients of civilian war allowances.
>
> I appreciate the necessity and desirability of giving adequate consideration to the estimates but we wish, if we possibly can, to meet these deadlines.

Honourable senators, I think I can find no better reason than this to ask leave at this stage.

Hon. Mr. Flynn: Would the honourable senator indicate whether the Senate will meet next week?

Hon. Mr. Langlois: The present plan, if we can dispose of this legislation, is to move the adjournment of the Senate to March 13, which is Tuesday two weeks hence.

Hon. Mr. Flynn: So that our return on Monday would be for the purpose of dealing with this bill.

Hon. Mr. Langlois: Quite so.

Hon. Mr. Flynn: Under the circumstances I will give leave to proceed with second reading today.

Hon. Mr. Langlois: Honourable senators, I move, with leave of the Senate, second reading of Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

I am grateful to honourable senators who have given leave to proceed at this stage. As you will recall, royal assent has already been given to the two supply bills covering estimates for the current fiscal year. The first provided interim supply for the months of April, May and June. The second, agreed to on June 28, 1972, provided full supply for the balance of the main estimates for 1972-73. The bill introduced today provides for full supply of supplementary estimates (A) for 1972-73. These estimates consists of $473,790,402 in budgetary items and $817 million in non-budgetary items. The total estimates tabled to date consist of budgetary expenditures of $16,223,091,-571 and non-budgetary expenditures of $1,606,779,000, for a total of $17,829,870,571.

Supplementary estimates (A) were referred, as honourable senators will recall, to the Standing Senate Committee on National Finance on January 25, 1973. These estimates were discussed in committee on February 6 with the President of the Treasury Board and some of his senior officials. The form of the bill presently before us is the same as that passed in previous years, except that the amounts which the bill will authorize to be paid include the amounts which were authorized by special warrants issued by the Governor General when Parliament was not in session. 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.

Honourable senators, the supplementary estimates before you amount to $1,290 million. They are made up almost entirely of items having to do with the relief of unemployment and the creation of jobs. About $1,180 million, or more than 90 per cent, are for these purposes: the Winter Capital Projects Fund, $350 million; Advances to Unemployment Insurance Commission, $455 million; Local Initiative and Training on the Job, $304 million; Federal Labour Intensive Projects, $60 million; Payments to establish the Metropolitan Area Growth Investments Ltd. for the Halifax-Dartmouth Area, $10 million.

A substantial portion of these estimates concern measures to assist farmers: payments to farmers who suffered crop losses due to adverse weather conditions, $12.6 million; additional subsidization of the movement of livestock feed from the West, $4 million; payments to the Canadian Wheat Board for the purchase of covered grain-hopper cars to facilitate the movement of Canadian grain exports, $40 million, and, finally, payments to protect farmers from losses due to water fowl depredation, $1 million.

There are also provisions for costs incurred or to be incurred in the New Horizons Program for retired people in the amount of $6.2 million; payment of higher pensions and allowances to veterans after cost of living adjustments, $18 million; assistance to Asian immigrants expelled from Uganda, $4 million; and expansion of operations under the Non-Medical Use of Drugs Program, $2.8 million.

The items which I have listed amount to 98 per cent of the total. The remaining two per cent covers such matters as additional capital and operating costs of Public Works; a loan to the Northern Transportation Company Ltd., grants for the Prince Edward Island Centennial Projects and the National Theatre School, and, finally, expenditures to compensate fishermen for the closing of the Atlantic Salmon Fisheries.

Also included in these estimates is the sum of $60 million for the Treasury Board for the contingency vote to provide for new employment by the government itself as part of the direct employment program for the winter. The departmental votes may be supplemented from this contingency vote.

At this stage I should further explain this item of $60 million by quoting what the President of the Treasury Board had to say on January 11 before the Miscellaneous Estimates Committee of the other place.

Mr. Drury said:

> Mr. Chairman, as part of the winter works program for the current winter, we plan a program whereby temporary employees would be hired directly by government departments; these temporary employees would carry out additional work, but would be taking part in programs already approved by various departments.
>
> We asked for ideas and suggestions from the departments to find jobs which would supply the greatest possible number of man months at the least possible cost. Some of the suggestions received involved rather large amounts of money; in making our selection we distributed the money and jobs available across Canada in accordance with the criteria used for the Finance Department's Municipal Winter Works Program, for a total of $350 million. In other words, we distributed the jobs suggested across Canada in accordance with the degree of unemployment, the seasonal effects of climate and the population of the provinces. The $60 million was assigned to programs across the country in accordance with these criteria. We attempted to choose departmental proposals whereby as much money as possible would go for salaries and as little as possible for capital expenses; at the same time we gave preference to suggestions which were related to departments "regular programs" and which therefore could be implemented very rapidly. We authorized the departments to begin work on these programs in December; the programs are to operate from January to May. The $60 million was shared among the departments, but it was much easier to include it as a lump sum in the supplementary estimates under the Treasury Board than to indicate small sums for each department.

• (1440)

I think that is a full explanation of the $60 million item.

These estimates continue a practice instituted in the fiscal year 1968-69 of seeking to finance supplementary estimates 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 changed circumstances permit lower expenditures. The complete offsets are treated as $1 votes in order to bring them before Parliament for authorization.

I should add at this stage, for the benefit of those honourable senators who are not members of the Standing Senate Committee on National Finance, that a complete list and explanation of these $1 items was tabled before the committee when the estimates were under consideration.

There are a total of four $1 items included in these supplementary estimates. These items consist of:

1. The itemization of a grant requiring parliamentary approval—one item.

2. The authorization of a transfer of funds from one vote to another—one item. This item also includes a requested amendment to a previous Appropriation Act and is therefore also shown under category 3.

3. The amendment of a vote included in a previous Appropriation Act—two items.

4. The amendment of other legislation—one item.

Honourable senators, I think I have covered the most important features of the bill presently before us. If you wish further explanation, I shall be pleased to give it, if I can.

Hon. Mr. Cameron: I wonder if the Acting Leader of the Government will permit a question. Vote 42, grant to the National Theatre School, is in the amount of $2,529,000. I wonder if the acting leader can say what that works out to per student in that school?

Hon. Mr. Langlois: I am afraid I do not have this information at present. I will supply it to the honourable senator.

Hon. Allister Grosart: Honourable senators, obviously I rise as a spokesman on this bill from this group. Under our rules it is possible that this bill will be referred to committee. I am not suggesting that it will be, but it is possible. It is equally possible that the committee might be the Standing Committee on National Finance. It is my intention, if this bill is referred to that committee, to ask the committee members to seek someone other than myself as acting chairman until Senator Everett returns. I am not suggesting I would be in a position of conflict of interest, but some of the remarks I am about to make on Bill C-141 might indicate some differences of viewpoint as between the position I might have as acting chairman of that committee and the role I have now.

Bill C-141, honourable senators, is presumably—and certainly hopefully—the last supply bill for the current fiscal year 1972-73. It brings us to the end of the long, long trail of the granting of supply, which, of course, has been going on since about this time last year in respect to the expenditures for the current fiscal year. As a matter of fact, we are starting on the new long trail of next year. Already the main estimates for 1973-74 have been tabled. So we find ourselves tramping on the heels of the future at this time.

If anyone asks why this trail has been such a long one, the answer, of course, is the complexity of the subject itself, and particularly the growing concern among parliamentarians—and I am sure the public—about the inability of Parliament to gain control of the spending of public money or, conversely, the apparent inability or unconcern on the part of the executive to permit Parliament to control the spending of public money.

If any proof of that were required, there is ample proof in the bill before us. I need hardly say that a very large part of the amount that we are today asked to authorize has already been spent. This is an example of what is happening in the so-called "control" of the spending of money by Parliament. To give just one example, $590 million is covered by the item under warrants. That is $590 million of public money spent, and we are now asked by this bill to authorize that expenditure.

As was stated when we were debating Bill C-124, Parliament was in session at the time the need arose for the first of those warrants in respect to the unemployment insurance account, and Parliament could have been called into session in December when the second warrant was issued. There were other warrants in addition to those respecting the unemployment insurance account covering, I believe, five departments. However, that kind of operation is perhaps normal except that, even in most of those cases, supplementary supply could have been asked for in the normal fashion of Parliament.

I suggest to honourable senators who may be concerned that the Senate might want to take a little time to look at this situation. We were impressed, of course, by the explanation that the Leader of the Government gave as to the urgency that certainly arose. We are now told that all sorts of people are not going to get their money if we do not pass this by tomorrow. What a confession of utter mismanagement that has to be!

We have had this type of situation before. We have had it in this short session with respect to the pilotage bill. Someone forgot to read the act; someone forgot that the whole pilotage system would be without money, and the House of Commons and the Senate were asked to approve that bill urgently in one day, which we did.

We on this side keep saying that we will not do it again, but we keep doing it again.

• (1450)

If Parliament is being destroyed, if this house is being put in a position where it cannot do its duty, I say the fault lies entirely with the utter mismanagement of affairs that allows this sort of thing to happen over and over again. I do not want to overemphasize this, but every senator in this chamber knows that if this happened in any organization of which he was a member he would protest. In fact, he would do what he could, I am sure, to get rid of the directors.

This has not happened only once. It has not happened only to the Senate. I am not at the moment complaining about what it does to us. It is being done to the other place. What is the explanation? I do not know. I was going to say it is the "creeping power" of the executive—perhaps I should say "leaping power." I have to say that the government simply cannot care about Parliament. Why? The other day I was reading the results of a Gallup poll in which the public were asked to give their reasons for certain things that happened on or about October 31. The one that attracted the largest percentage of response from the public was mismanagement, and the second referred to the government's attitude towards Parliament.

Perhaps the lesson has been learned. We are told over and over again that the lesson has been learned, that there is a more humble approach to the rights of Parliament and the people now. I hope that is so. It would not be fair to say this bill is an indication that it is not so, because the situation caused by this bill perhaps antedates that particular lesson that was to be learned.

This bill raises this question perhaps more than an ordinary bill covering supplementary estimates. It is in many ways an unusual bill. Perhaps it is the most unusual appropriation bill that has ever come before Parliament.

[Hon. Mr. Grosart.]

In the first place, there is the enormous amount of $1.3 billion involved in these supplementary estimates. It is quite true that this is in itself an indication of the lesson learned. The Acting Leader of the Government made it very clear that apart from the large amounts under the warrants, which might be included in that category, the purpose of most of the spending here is to do something about the great problem of unemployment. He said, I believe, that 98 per cent of the total amount asked by the government in budgetary and non-budgetary items is, in one way or another, for the relief of unemployment or those directly affected by unemployment. It is, of course, unfortunate that the public has to pay this enormous cost. The public gave the lesson and now they are getting the bill, a $1.3 billion bill. The student fees are going up.

This bill is unusual in that it is a post-election appropriation bill. I have indicated some aspects of that, and there are others. It is not entirely unusual to have a post-election appropriation bill, but the fact is that this is the first time in the history of Canada that we have been faced with a situation in which measures arising out of a budget—the May 1972 budget—were carried over the end of the year and over an election period. In that respect this is a unique bill. This again is an obvious indication of mismanagement. We are now faced with having to start examining the estimates for the next year while we are still waiting for the measures from the budget of last May, and there is no indication that I have seen when we are to get them, or if we are to get them.

I have mentioned the warrants as one of the unusual features of this bill. They total some $590 million, of which $454 million consists of amounts required to cover the benefit payments under the Unemployment Insurance Act. I have already given my views on that. I merely repeat that those warrants were not necessary. The evidence is clear, and if anybody wishes to read it he will find it, in part, in the examination of the supplementary estimates by the Miscellaneous Estimates Committee of the other place. It was abundantly clear in the middle of August, when the officials were discussing it; when the officials were calling in experts from the Justice Department, asking, "What will we do? What can we do? Should we go by warrants? Should we have supplementaries?" That is the evidence. The officials were sitting there discussing it.

It is only fair to say there is no evidence that they drew it to the attention of the minister, and there is no evidence that the minister drew it to the attention of the Cabinet. I cannot comment on that, because I cannot say the minister knew. I can say it is not surprising that he is not the minister any more if he did not know. If he did know and the Cabinet did not know, perhaps we have a clue to one small aspect of the mismanagement to which I have referred.

This appropriation bill covers some expenditures under the famous Treasury Board contingency fund. This is a fund the misuse of which has been criticized over and over again by the Auditor General, and it has, of course, been criticized many times in Parliament. There are two minor items, one under Agriculture in respect of crop payments and another million or so for the Prince Edward Island centennial, and I will not criticize them.

They may very well be the kind of expenditures out of the contingency fund for which the fund was originally established.

Then we have the item, to which the Acting Leader of the Government referred, of $60 million. As I understand it, that $60 million is to provide jobs in the federal service across the country on a more or less equal basis, province by province. I will not comment on the propriety of that. It perhaps makes sense in somebody's view at this time to add more public servants. I was under the impression that we had enough, but that may not be so. Anyway, the purpose of this $60 million is to hire more people in various parts of the public service. My criticism is not of that at the moment; that is another subject.

But why is this in the contingency fund? The acting leader gave the official, conventional explanation, that it was easier to put it in this one fund than to put it in supplementary estimates department by department. Of course it was easier—you did not have to add up the figures; you did not have to explain how much each department would be spending. It is the kind of thing that I say has created this situation in which Parliament has little control of the expenditure of public funds.

What possible justification can there be for saying that 16 or 20 departments will spend so much money? Surely the whole concept of the estimates, the whole supply system, is that each department will indicate to Parliament and the public what it intends to spend, what it wishes to spend, forecasting the nature of the expenditures and asking for approval, department by department. There may be devices necessary at times, but any device that circumvents that basic principle has something wrong with it, unless a better explanation can be given than that it was easier to give the whole $60 million to Mr. Drury than to tell Parliament which departments would have the various parts of it.

• (1500)

This is the kind of thing we find all through this bill, and which I hope justifies some of the rather extravagant statements I have made about its significance in terms of the whole business of parliamentary control of supply.

Honourable senators, this appropriation bill adds considerably to the projected expenditures for the year. When we started to discuss the estimates a year ago, we were told that the government expected to require about $16.5 billion. As the Acting Leader of the Government said, this supplementary will bring that up to $17.8 billion, an increase of over $1 billion at the last moment, at the tail end of the year. It is $1 billion in a budget of $16 billion—the purpose of which is to remedy errors, and give the impression that the government has learned the lesson of October 30.

We are entitled to be concerned, because this escalation of government spending is going on, with the estimates for the next year before us, to a figure of $19.2 billion. Just ten years ago the expenditure—that is, the main estimates including the supplementaries—was $7.1 billion. So in ten years federal government expenditures have risen from $7.1 billion to something like $19 billion.

Honourable senators, I would comment on one other item, which may be the subject also of comment from others. It is the item which you will find under the Department of Finance, vote L12a on page 16. It is $350 million to provide loans for provincial and municipal winter works, over a period beginning December 6, 1972 and ending June 30, 1975. I have not heard an explanation that makes any sense. It has been suggested that this is directly contrary to section 20 of the Financial Administration Act, which clearly states that Parliament may vote appropriation only for accounts coming in the course of payment in the calendar year. Yet here we are asked, absolutely needlessly, to vote $350 million which may be used to cover obligations that the government may incur for such a long period of years running up to 1975.

There has been an explanation that there is a difference between "committing" and "contracting" to spend money. In my view, this is as specious an argument as any could be. In clause 2 of the bill it is made very clear that the item "shall be deemed to include and not to be in addition to the amounts authorized" by the warrants. That is one point. This is, under clause 3(2), "deemed to have been enacted by Parliament on the first day of April 1972." Clause 4(2)(a) speaks of "the amount, if any, appropriated in respect of that item or provision"—which goes back to clause 2 which appropriates the money. It is clearly an appropriation. This $350 million cannot be regarded, under the terms of the act, as anything but an appropriation—which the Financial Administration Act says cannot be done.

I say this procedure is unnecessary. I am not suggesting that there is no merit in the provision of $350 million for jobs at the provincial and federal levels. The item would provide forgiveness of certain percentages, 50 or 100 per cent, of the on-job pay list. So it is difficult to say exactly how much it might be. It will depend to some extent on what the provinces might spend, and on the conditions of the forgiveness.

There seems to be no reason in the world why the government could not say it estimates it will need $70 million next year. That would bring it within the terms of the Financial Administration Act and the whole concept of supply.

This seems to me to indicate carelessness, unconcern, saying, "Who cares about Parliament? We can do it this way. There is no reason why we should not say we need $70 million this year and appropriate that amount, but we can put in $350 million and who cares about the Financial Administration Act?"

When the minister was asked why, he replied that the appropriation act is an act of Parliament and it supersedes any other act. That was his statement. That would mean that at any time, in the judgment of the Minister of Finance, all the Statutes of Canada can be repealed by one item in an appropriation bill. That is the effect of the guess at what might be a legal excuse by the minister. I am sure that at some time or other in his legal studies he has taken a course in conflict of laws, but he must have forgotten most of it, since he makes a statement of that kind.

Honourable senators, we are coming to the end of a long, long trail. It has been a long trail. This emphasizes the absurdity of the Acting Leader of the Government being put in the position he has been put in. He did not get

into it himself; he is too wise a man to have got into that position, but he bears up under it well and occasionally he even smiles when I make these observations.

On this bill we are faced with this urgency, that difficulties will arise if we do not pass it today. Yet the government comes along at the last moment with this ultimatum. This is the first we in this chamber have heard of it. We have had this bill before us a few days, but a few minutes ago was the first we heard of this urgency here, the urgency that if we don't pass this bill today there will be dire consequences. Perhaps the Acting Leader of the Government is going to tell us how many thousands of people are going to starve. He did not put it in those terms, but apparently there would be a horrendous number of LIP people who would not be able to get on with their jobs. He even mentioned the veterans.

• (1510)

It always worries me a bit when a minister, in pushing for this kind of sudden decision, mentions veterans, but I suppose that is part of the game.

However, honourable senators, the supplementary estimates on which this bill is based were tabled in the other house and referred to committee on January 8. They were reported back on February 2. They were debated from February 7 to February 12. The motion was put on the 12th, and it was debated on the 12th, 13th, 15th, 16th, 19th and 20th in the other place. According to my count, 76 members of Parliament spoke on it in the other place. Now we are told in the Senate at just about two o'clock on February 22 that if we do not pass this bill today we will be depriving hundreds of thousands of Canadians of their rightful "bucks"!

Hon. Mr. Langlois: The statement by the minister was made two days ago in the other place.

Hon. Mr. Grosart: If the honourable Acting Leader of the Government will allow me to make it clear, what I said was "the first time we were told in this place." There is a rule in the Senate that we do not know what is going on in the other place, or what the minister says in the other place, until we are told here. If the Acting Leader of the Government happened to hear it on the radio or if it was communicated to him two days ago, I wonder why he did not tell us, if he is concerned about that time lag.

I merely say, honourable senators, that at two o'clock today we are told, "You must pass this or veterans won't get their cheques." I say it is a disgrace that we are put in this position under these circumstances.

Hon. Hazen Argue: Honourable senators, I can appreciate that Senator Grosart and others would be upset at the kind of situation we are facing in this house today. We know that it is not of our doing. We know that it is the doing of someone else. But it is a little too easy to say that the fact that we are in this predicament, that we are under the gun, that we are under this pressure, is tantamount to a confession of mismanagement by the government, to use the words of Senator Grosart.

The Senate is often abused when there is no foundation at all for the abuse. There is a member of the other place who perennially moves motions to abolish the Senate, and there is nothing that he is not prepared to say in a derogatory way about the Senate. To him and some others this

[Hon. Mr. Grosart.]

place has no value. But we should not be misled—and it would be a case of being misled—in concluding that we are in the predicament we are in today because the government failed to place the bill we are now considering before the House of Commons in ample time to have it dealt with effectively.

As I understand it, there were fully 11 days of debate on this bill in the other place which, as is the case with this chamber, has been in session since January 4—almost two months. But what progress has the other place made in dealing with the important legislation before it, and in taking the actions it must take in order to assist in governing this country? Well, as I read their progress, it has been exceedingly slow. We got the Unemployment Insurance Bill (No. 1), which merely removed the ceiling on advances, and changed nothing else in the act. We got the Pilotage Bill, which provided that the pilots will operate for the next year as they have been operating. Now we get this bill after 11 days of debate in the other place. And who held it up in the other place? The government? Of course the government didn't hold it up. Not the members of the government party; I don't think so, as I read the *House of Commons Debates*. Did the members of the Official Opposition delay its passage? Well, they spent a lot of time on it, and they have big stakes in the other place. They are hoping that by some means, some legitimate means, they can bring about the toppling of the government, and I suppose that is fair game. However, generally speaking, the members of the other place wasted time; many of them spent it in exhaustive speeches, in my opinion, not altogether relevant to this bill.

So it was because of the filibuster in the other place—the continuing filibuster, the almost permanent filibuster over there, and not the inefficiency of the government, that we are faced with this mess now. And it is a mess, because the people will not get their cheques if we don't push the bill through today and allow those cheques to be sent out.

Who held things up? On Thursday last towards the end of the sitting, Mr. MacLean, a Conservative member, asked whether or not the members generally would agree to continue the discussion beyond ten o'clock so that Bill C-141 might be passed and progress made, but a member of the NDP—one person—said, "No, I will not allow the debate to continue." So the NDP on Thursday said, "We are doing everything we can to delay it and to make sure that the Senate is under the gun."

And what about last Friday, which I believe was the ninth day of the debate? Another member of the other place, Mr. Nielsen, made the following suggestion:

> Mr. Chairman, before Your Honour leaves the chair, may I once again suggest that you ask whether there is unanimous consent to pass all stages of these estimates tonight? If that is not agreeable perhaps Your Honour would not see the clock.

Again opposition was taken and progress could not be made, and our friend in the other place, that friend of the Senate, one called Knowles, said:

> Mr. Chairman, I must inform you that we have other members who have a few things they would like to say.

• (1520)

They had been talking there for nine days, but they still had a few things to say to ensure that the filibuster would continue, to make sure that the House of Commons could not pass the bill on that day, and consequently to make sure that we were put in this ridiculous position we find ourselves in today.

I suggest that the danger to this country—and I personally think it is a very grave danger—does not come from the Senate's failure to do its job. We do our job as we see fit. We can be criticized for the kind of job we do perhaps, but the fact remains that we do our job. The legislation that comes to us goes through this chamber, as it should, after due consideration. But, honourable senators, the other place is not doing its job. There is a permanent filibuster, a continuing filibuster, and I make the forecast that the other place in the next six months will come nowhere near dealing with the legislation required for the proper government of this country. Our nation is suffering because of these continuing filibusters in the other place.

I might add that it will surprise me if they pass all the bills based on the budget. The budget debate itself will be concluded, of course, but will the bills based on the budget be passed? As I have said, it will surprise me if they are. I certainly doubt if they will be passed in this session.

I suggest, honourable senators, that the other place is incapable, because of the way in which its members are conducting themselves, of dealing in three sessions with the volume of legislation required for the efficient government of this country in one session. But when we are criticizing the actions of that place we should try to see where the blame lies, and in my judgment the blame lies with those members who by continuing to speak, and by refusing unanimous consent without good reason, are placing the economic life of this country in jeopardy. I hope that soon somebody over there will have the courage and ability to arrange their proceedings so that after a particular period of time and ample debate, legislation will be passed and will come to us in a manner which will permit us to do our job as it should be done.

Honourable senators, I had not really intended to speak at length on this bill. I simply wanted to say a few words about what my friend Senator Grosart described as a relatively minor item, namely, the payment of moneys to farmers who find themselves in difficult circumstances. I know my friend did not mean that the item was in any way insignificant, but that it was only a small proportion of the total.

Hon. Mr. Grosart: It was only $9 million. What is $9 million?

Hon. Mr. Argue: Even the $400 payment is important if you really hit a rough year, and some of these farmers were in very poor shape last summer and last fall because of the amount of rainfall, which in turn meant that they were unable to harvest their crops. They suffered greatly in consequence.

If I might go to another theme, it is my view that the provinces get off pretty well scot free when it comes to dealing with important public questions such as this—and here I am not talking about any one province or any one political party. When the farmers were in trouble, where did the leadership come from? It came from the federal Parliament and the federal Department of Agriculture. I was present at one of the mass meetings held by farmers near Ottawa and I can say that not one single provincial representative was in attendance. Why did they need payments? They needed them because of the disastrous conditions that had affected their crops, and in most cases farmers did not have crop insurance. Here again the federal government is giving leadership. Up to the present the federal government has paid 25 per cent of the benefits, and the farmers have paid 75 per cent. All the provinces have done is share the administrative costs on a fifty-fifty basis with the federal government.

Honourable senators, the crop insurance scheme needs a severe overhaul if farmers are to be able to benefit in an effective way. I think the federal government is moving in this direction substantially by proposing to double the federal contribution, thus bringing it from 25 per cent to 50 per cent, with the result that it will be a fifty-fifty proposition as between the federal government and the farmers. But the provinces are in the middle. The provinces pay 50 per cent of the cost of administration and they have full control, which I suggest is not a desirable thing when the federal government is in fact paying out these vast sums of money. The federal government has a responsibility to engage in talks and enter into arrangements with the provinces whereby crop insurance will be effective and will be administered in a fair, non-partisan, non-political way.

At the present time they are providing a maximum payment of $400 per farmer under this item. Where did they get this figure? That is the approximate federal contribution to the Prairie Farm Assistance Act—in other words the payment made to each farmer who qualifies for the maximum payment. The Prairie Farm Assistance Act is being discontinued and, in my view, that in itself is a mistake. However, the federal government has used it in this respect as a pattern for establishing the payments we are considering today. As I say, it is a great mistake to discontinue it on the Prairies where some farmers do not have an opportunity to obtain satisfactory crop insurance. Instead of the federal government getting out of the scheme, which they have operated pretty efficiently, and turning everything over to the provinces under the so-called provincial crop insurance schemes, I would like to see Prairie farm assistance maintained for those farmers who would prefer to retain it rather than try to obtain crop insurance.

At this stage I should like to make particular reference to the way in which crop insurance has been operated in the Province of Saskatchewan. In Saskatchewan there is a crop insurance act, and there is a crop insurance plan. As honourable senators know, there was a recent change in the administration of the province. Where once there was a Liberal government, there is now a NDP government. The Liberal government in its time knew how to deal with things in a political way, and they were not all that pure. But then there was a change and the NDP came in.

The director of crop insurance was dismissed. Seventy-three of the insurance agents out of a total of 123 who were selling crop insurance have been dismissed and are no longer allowed to sell crop insurance in Saskatchewan. New people have been hired by the Saskatchewan crop insurance plan. A great many of them are exceedingly well known NDP organizers who have been taken on the payroll of the Saskatchewan crop insurance plan, who are handling it, who are meeting the farmers, and who are in control of the crop insurance scheme. And still 50 per cent of the benefits to the farmers is paid by Ottawa and the other half is paid by farmers themselves. The Saskatchewan government, as well as every other provincial government, by making a small administrative payment into this fund, has control of a vast political machine which is made possible by these arrangements.

• (1530)

We know there should not be taxation without representation. I think the federal government is abdicating its responsibility if it continues to pay large sums of taxpayers' money out of the federal Treasury and into the coffers of a provincially-operated scheme which is being operated openly in a political, partisan manner. I do not think that the public money of this country, or of any province, should be used to fuel that kind of political machine. I think it is a sorry state of affairs if the federal government does not do something to correct this kind of partisan administration.

The federal government is considering a small farms development program. Saskatchewan has a land bank program. The Saskatchewan land bank program undoubtedly will be administered by political friends of that government.

I suggest to the federal government that crop insurance and small farms development programs should be administered in such a way as to remove all appearances of political partisanship. I suggest that if it is to be a joint venture they might set up something resembling a crown corporation in which, let us say, two directors would be appointed by the federal government, two by the provincial government, and three by interested farm organizations so that in fact there would be a body administering these plans that is non-political in nature.

It is a great disservice to the country if the federal government is to continue blindly supporting provincial government programs when those programs are obviously administered by their partisan friends.

I am pleased that the government has taken action to bring forward this legislation and to pay the $400 to the needy farmers. I would like to see Prairie farm assistance continued and made available to anybody who wants it. And I would like to see action taken with regard to crop insurance, to make certain that it is administered in the interests of the farmers, and in no way influenced by the interests of any political party.

Hon. Jean-Paul Deschatelets: Honourable senators, perhaps I would be permitted to make one comment on some of the remarks made by Senator Grosart and Senator Argue regarding the problem which faces us again today of having to pass a bill without satisfying ourselves that we are giving it all the attention we would like—a bill that we have to pass in order to prevent thousands of Canadian citizens being deprived of some of their rights. It is in the form of a suggestion to the acting government leader. I would be satisfied if he would kindly take notice of this suggestion and see if it is a practical idea.

[Hon. Mr. Argue.]

What we have to ask ourselves in this situation today is whether a practical step cannot be taken to avoid similar occurrences in the future. I know that honourable senators have been complaining about this for years, but I am wondering if one practical step has ever been taken—that of a conference with members of the House of Commons—in order to prevent this happening in the future. We should not be placed in this situation.

I refer honourable senators to page 140 of the Rules where they will see that if the Senate amends a piece of legislation, and the amendment is not agreed to by the House of Commons, there is provision whereby three representatives of the Senate meet with three representatives of the House of Commons. My suggestion is that there should be an unofficial meeting, let us say, between four representatives of the Senate among whom the Opposition would be represented—and I am thinking as well of Senator McIlraith who has been Leader of the House in the other place—and four representatives of the House of Commons, where this precise problem can be discussed to see if a solution could be found to prevent us being placed in the situation we are in today.

I do not know if this is a practical suggestion, but we have to ask ourselves now and again: What can we do to improve the relationship between the two Houses of Parliament? I leave this with the Acting Leader of the Government. Perhaps some honourable senators have other proposals.

Hon. H. Carl Goldenberg: Honourable senators, I agree with those who have spoken and expressed a feeling we all share about the need for the Senate to have an opportunity to give full study to all legislation submitted. I wonder, however, whether this legislation which is before us today has not been studied by the Senate. I wonder whether the criticism really applies here.

• (1540)

After all, on February 7 Senator Grosart presented the report of the Standing Senate Committee on National Finance "to which was referred supplementary estimates (A) laid before Parliament for the fiscal year ending March 31, 1973." Those estimates had been fully studied by the committee, and the report of the committee was debated in the Senate when it was presented by Senator Grosart. Again on February 13, when Senator Flynn spoke, Senator Grosart complimented the officials of the departments concerned for the detailed information they supplied in answer to questions submitted by senators. Senator Grosart said:

> Honourable senators have in the past indicated how important it is that the assessment of the estimates and supplementary estimates be thorough. For that reason I would ask that the replies that have now been provided by the Treasury Board, together with the questions, be printed as an appendix to today's *Hansard*.

This was agreed to and done. Senator Grosart was very pleased with the thorough work of the committee, and I

congratulate him and the members of the committee for what was done.

Then on February 15 Senator Grosart indicated that when the estimates have been studied by the committee:

> It has not been the normal practice for an appropriation bill to be referred to committee. There is no reason why it should not be so referred, but normally the Senate has taken the position that the committee's report on the supplementary estimates relating to the appropriation bill satisfies those requirements.

In the circumstances it appears to me that this is not legislation which has come to the Senate very suddenly, a last minute affair, and the Senate is asked at 2 o'clock to enact it immediately without consideration. I think the Senate has considered it. I feel that the Senate has a right to assert itself in order to fulfil its proper function, but, honourable senators, let us not always pick on measures which make the poor, the veterans, and others in that category suffer. We are only hurting ourselves. The press, after the last delay two weeks ago, relating to unemployment insurance, unanimously condemned the Senate for—

Hon. Mr. Flynn: Oh, no.

Hon. Mr. Goldenberg: I have a number of clippings I could show Senator Flynn. Perhaps I should change the word "unanimously."

Hon. Mr. Flynn: Yes.

Hon. Mr. Goldenberg: There is no doubt that some of the principal papers condemned the Senate, I say wrongly. I am not in agreement with them, but they did, and that will be the reaction if we are once again responsible for delaying a measure of this kind. Let us assert ourselves when there is a measure that will not affect the underprivileged and others dependent on the state.

Hon. Mr. Grosart: May I ask the honourable senator a question, in view of the fact that he seems to have misinterpreted my remarks, in that he seems to have assumed that there is no difference between supplementary estimates and an appropriation bill. The fact of the matter, of which I wonder if he has taken note, is that in the other place the supplementary estimates were reported on February 2, and they have been debating the appropriation bill ever since.

Hon. John J. Connolly: Honourable senators, I do not wish to engage in the dispute that has been going on, but I think it might be salutary for us as a body to remind ourselves of certain things. For the nearly 20 years that I have been here, and for many years before, I remember hearing in this house from honourable senators of the Opposition and, indeed, from honourable members on the government side, the same kind of complaint with respect to appropriation bills that we have heard today. They talk about the Senate being placed in an unfortunate predicament, in a dilemma. They speak of the demeaning position in which the Senate has been placed, and of its being made a rubber stamp for the government or for the other place; of having its back up against the wall; of being coerced; and practically of being faced with a shotgun, "pass or else."

I ask honourable senators to remember a number of years ago, because that kind of criticism was voiced in this chamber on almost every occasion that an appropriation bill came here, the Senate as a body decided to protect itself from the criticism of being a rubber stamp and being coerced. The Senate decided that it would inform itself. The procedure adopted is that which has been followed in respect of this bill, and I think it was most useful to have Senator Goldenberg recount the steps which were taken in respect of the supplementary estimates upon which this bill is founded. However, I wish to discuss it in a more general way.

The practice that we adopted at that time, and have followed ever since, upon the tabling of the supplementary estimates, is that the Leader of the Government immediately moves, on that same day, that the supplementary estimates be referred to the Standing Senate Committee on National Finance. Honourable senators should bear in mind that the items in the supplementary estimates are exactly the same as those contained in this bill. I think it has been a salutary practice because honourable senators, or any one of them, can attend the meeting of that committee and examine the witnesses on any item, whether it be supplementary estimates or main estimates. Then in due time the committee makes its report.

We have all recognized through the years—and I think both Opposition and Government sides approved the procedure—that we could have a debate on the report of the committee with the Senate in session.

After preparation of this kind I think we are justified in saying we have not rubber-stamped these bills. We have perhaps given this bill more attention—not debate for 11 days, but more careful attention—than it received in the other place.

• (1550)

I do not think we need apologize for the position we find ourselves in today because, theoretically at least, we should be ready to deal with this bill with full knowledge of what the items are. We have had an opportunity of examining those items in committee, and an opportunity of debating the report of the committee.

It has been our purpose over the years to do our very best to make our parliamentary institutions work. There is bound to be a certain amount of conflict and difference of opinion as to procedure and timing in any bicameral legislature. The procedure that we have adopted for appropriation bills is evidence of the good will and good judgment of the Senate in trying to make these establishments work in the best possible way.

We do not wish to be accused of being rubber stamps, and we do not wish to say that we are being coerced. The press should take note of the fact that we are reforming ourselves in a very effective way in order that we may contribute to the efficient operation of Parliament.

Having said that, honourable senators, there may be good sense in the suggestion of Senator Deschatelets. I would not shut the door on his proposal. The more satisfactory and easy the working arrangements between this house and the other place, the more efficient will Parlia-

ment be. The Senate need take second place to none in its efforts to make our parliamentary institutions work.

Hon. Jacques Flynn: Honourable senators, first I want to admit that we have been given, as a result of the study of the estimates in the National Finance Committee, the explanation in the report of that committee, and the explanation today by the sponsor of the bill, the Acting Leader of the Government, a lot of information on the substance of the bill, or at least the amounts which we are called upon to vote today.

However, this, for me, is not the whole story. The question of delay, the question of being asked to pass a bill quickly is something that doesn't always arise in the same circumstances. For instance, Senator Argue mentioned that in the present case, considering the length of time taken in the other place, whether in committee or in the house, some responsibility should be attributed to a certain group with which Senator Argue is very familiar. The government is not the only party responsible for the fact that we are faced with the obligation once again of giving quick passage to an important piece of legislation.

Similar circumstances may arise again, and we might be able to solve the problem in part by following the suggestion of Senator Deschatelets. The problem was not the same, for instance, with respect to the recent pilotage bill. In that case, it was mere mismanagement and miscalculation on the part of the government. The other place was told the night before the last day that it had to pass the bill. They did, and we passed it a day later. As a matter of fact, the House of Commons passed it in one hour. That was an entirely different situation.

With regard to the removal of the ceiling on the unemployment insurance fund, the bill came to us at the last moment. We were told that if we did not pass that legislation in a day or two, some people would suffer by having their cheques delayed. Senator Goldenberg said the Senate was criticized for taking two days—just imagine, two days!—to deal with that problem. I did not see any criticism of that. I do not suppose that I read the same newspapers as other honourable senators, but I saw at least one editorial in an Ontario newspaper that was very laudable of the Senate for having stood its ground and at least taken two days rather than one.

Hon. Mr. Lamontagne: Senator Goldenberg may have been reading *Le Devoir.*

Hon. Mr. Flynn: I do not think *Le Devoir* cares very much about what goes on here. He must not read very much about the Senate in *Le Devoir.* One thing that I should like to underline is the fact that I have not received one complaint from a recipient of unemployment insurance benefits. I am quite sure our delaying that bill one or two days did not, in effect, cause any inconvenience to those who were entitled to the benefits. I do not believe that any deadline, any decree that we have to pass a measure today or tomorrow, makes any difference. In fact, as far as I am concerned, this bill need not receive royal assent before tomorrow.

Hon. Mr. Goldenberg: If Senator Flynn will allow me, I shall mention two newspapers—the Montreal *Star* and the Montreal *Gazette.*

[Hon. Mr. Connolly (Ottawa West).]

Hon. Mr. Flynn: As far as the Montreal *Star* is concerned, I have read it for a long time, and I have no great respect for its editorial page. As far as the *Gazette* is concerned, the deterioration of its editorial page has been so evident over the past year or two that I need not comment on the value of its opinion. To me it has become a third class paper.

Hon. Mr. Macdonald: Fourth class.

Hon. Mr. Flynn: I hope they'll read my comment, because I have never seen such deterioration. I've never seen a newspaper, which was producing really good information and worthwhile opinion in its editorials, go down the way that paper has in the last two years. I do not know whether it has to do with the fact that it was bought by Southam Press. Thank God, it still has a few commentators who occasionally give some life, if not to the editorial page, at least to the one next to it.

Hon. Mr. Choquette: They even criticize the present government.

Hon. Mr. Flynn: That happened more often a long time ago, if my memory serves me right. In any event, in the case of this bill, we are not really placing the criticism at the door of the government itself. We are merely saying that when we are faced with a situation like this, we should take the time required—the maximum time possible—to study the bill properly.

• (1600)

I agree that we were given information in the committee, but the bill is something else. For example, Senator Argue, at the time the report of the Standing Committee on National Finance was presented to the Senate, was not prepared to make the comments he made this afternoon regarding the problems of agriculture. As Senator Goldenberg mentioned, only Senator Grosart and myself said a few words about the report. I would have thought that more honourable senators would have been interested in commenting on the report, and in commenting on the substance of the estimates. We did not do so then because it came too quickly, and some were waiting for the appropriation bill. At that time I indicated I would have some comments to make on the appropriation bill. We have seen this afternoon that merely starting a discussion on this problem has prompted a few honourable senators to speak.

I was pleased to see that for once supporters of the government have taken part in a debate on an appropriation bill, and I hope this will continue and will improve. Instead of discussing only the question of procedure or the question of whether we should take more time or not, I hope they will in future deal also and primarily with the substance of appropriation bills. I commend the Liberal supporters in this house for their contribution today. It is something new, something unusual, or, let us say, something more substantial than has been the case over the years I have sat on this side of the house.

It is often said in support of giving quick passage to this type of bill that the Senate should not really delve too deeply when they are called upon to deal with an appropriation bill. We sometimes use the phrase "money bills" loosely. Of course, I make a distinction between a money bill, which includes an appropriation bill, and one which

sometimes has other provisions which are of substance and really not exclusively financial.

Hon. Mr. Connolly (Ottawa West): Incidental.

Hon. Mr. Flynn: Incidental. I think the thesis has been that the Senate should not take too much time on appropriation bills. Constitutionally, I feel, that is not correct. It may be based on practice, or on an interpretation derived from the fact that Westminster has deprived the Lords of their responsibility with respect to appropriation bills, or on the fact that the Lords have considered that appropriation bills are not really their responsibility. Our Constitution puts the Senate on the same footing as the House of Commons in so far as any bill is concerned.

The practice of the Speaker of the House of Commons, when he comes to this chamber for purpose of Royal Assent, is to present an appropriation bill with a green ribbon, saying: "The House of Commons has passed this bill to which they desire Royal Assent." He does not mention that the Senate has also passed the bill. This is not based on any text in our Constitution; it has no constitutional justification. It is only that this has been the practice and because the Senate has said, in effect, "If that is the way they want to do it, then let them do it. We do not want to quarrel with them." But even if we do not want to quarrel with the House of Commons, we should not give up our responsibility, because very often appropriation bills are not really appropriation bills.

Bill C-141, which is before us now, is not, in substance—most of it, anyway—a real appropriation bill. I base that view on the opinion given by the Minister of Finance, which was echoed by Senator Grosart, on this subject. This appears at page 1064 of *Hansard* of the other place of February 7, where Mr. Turner says:

> Vote L12a, which is before Your Honour, is set out in supplementary estimates A for 1972-73 as are the other items to which reference is made. When these are annexed as an addendum to the supply bill, that bill will pass and will become an act of parliament, as any other bill of this House, and in the same way as the Financial Administration Act itself. What parliament, therefore, does on any supply bill and what it will do on a supply bill that follows these estimates is override any contrary provision, including the provision of section 20 of the Financial Administration Act.

And I underline, "any contrary provision," which refers to other legislation than the Financial Administration Act. Mr. Turner goes on to say:

> One does not have to say directly—

And I underline "directly."

> —in the supply bill or estimates that this overrides section 20 of the Financial Administration Act; that is the clear effect of any subsequent piece of legislation that is drawn in more distinctive or specific terms. In other words, I am submitting to Your Honour that there is nothing illegal in what parliament has over and over again provided for in supply bills and has indeed effected through this vote in question.

And at this point Mr. Turner cites precedents which refer to estimates under Liberal administrations. I do not intend to deal with them because he is, in effect, quoting himself as an authority in that he is quoting his own party or the government he supports.

At page 1065, about half way down, he says:

> Let me turn to further supplementary estimates for 1958-59 for the Department of Transport for air services, civil aviation division, vote 793 for airways and airports—construction or acquisition of buildings, works, land and equipment. There is a further amount required including authority to contribute during the current and fiscal years amounts not exceeding in the aggregate $196,000 and so on. Or look at the estimates for 1959-60 for loans, investments and advances for the Department of National Defence. Vote 475 was to authorize loans to be made in the current and subsequent fiscal years in respect of housing projects constructed pursuant to an agreement with the Minister of National Defence for occupancy by members of the Canadian forces. That is in the amount of $10 million. Or take the estimates for 1958-59. Vote 285 relates to the Department of Northern Affairs and National Resources for the northern administration and lands branch, Yukon Territory. It authorized payments to be made in respect of each of the fiscal years for the period commencing April 1, 1957 and ending March 31, 1962—a five year period, well beyond the fiscal period reviewed in the estimates.

• (1610)

I have put that on record because, the other items having been dealt with by Senator Grosart, the main thing I want to deal with on this bill is the fact that we are here invited to vote the sum of $350 million for what is described in vote L12a as "Winter Capital Projects Fund Program." It says:

> Loans to provinces, provincial agencies and municipalities as defined in the Municipal Development and Loan Act in the 1972-73 to 1975-76 fiscal years inclusive for the purpose of creating employment.

And so on.

The total amount is $350 million. It has to be remembered that when the President of the Treasury Board testified before the Standing Senate Committee on National Finance he said that the maximum which would be required for the year ending March 31, 1973, would be $75 million, and he was not even sure whether that amount would be required. When the $350 million, which is included in the total amount we are required to approve, is compared with the $1,290,790,402, it will be realized that it is almost one-third, yet clause 2 of this bill reads as follows:

> From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole one billion, two hundred and ninety million, seven hundred and ninety thousand, four hundred and two dollars, towards defraying the several charges and expenses of the public service, from the 1st day of April, 1972 to the 31st day of March, 1973, not otherwise provided for, and being the total of the amounts of the items set forth in the Supplementary Estimates (A) for the fiscal year ending the 31st day of March, 1973, as contained in the Schedule to this Act.

It can be seen that clause 2 says the amounts voted by this appropriation bill apply only to the current fiscal year ending March 31, 1973, whereas the description of the Winter Capital Projects Fund Program refers to a three-year period, and $350 million, when we know very well that the government does not need more than $75 million and is not authorized to spend that sum after March 31, 1973. That is quite clear from clause 2. There is a direct contradiction between clause 2 and the schedule concerning this special item, vote L12a.

I submit to you, honourable senators, that the Minister of Finance was wrong in saying that this has been done before. Of course, it may have been done under a Liberal administration, but it was not done in the case quoted from the years 1958-59 and 1959-60. I have checked this, and the position is quite clear. The record shows how this bill should have been drafted to avoid this confusion, or this misleading of Parliament and the people.

The item concerning the Northern Administration and Lands Branch is included in the estimates of 1958-59 at page 56, which says:

> To authorize payments to be made, in respect of each of the fiscal years in the period commencing on the 1st day of April, 1957, and ending on the 31st day of March, 1962.

I agree it covers a period of five years. You have to go to the end and read that the estimated total amount for the fiscal year 1958-59 was $478,752.

You may commit the government to do something, over a period of years, but each year an appropriation has to be made by Parliament for the part to be spent that year. If you do not want to do that, you have to enact special legislation, which I think should have been the procedure followed in the present instance.

From reading the wording of the schedule concerning the Winter Capital Projects Fund Program it will be seen that this should have been presented as a separate bill, covering statutory disbursements over a period of three years, rather than being presented as a budgetary item. I suggest to you, honourable senators, that despite the fact that $350 million is provided in this bill for the Winter Capital Projects Fund Program, the appropriation bill, being in the usual form, as indicated by the Acting Leader of the Government, does not in fact permit the spending of one cent of this $350 million after March 31, 1973.

We have always objected to using an appropriation bill to legislate in other ways than the appropriation of money. There are other items that are less important here. Sometimes an appropriation bill is used to hide a little problem, such as the one to be found at page 18, vote 13a, which is entitled "Special programs." It is somewhat amusing to see that. If a government were only using the device of a supply bill to correct a problem like that I would not really object. The item "Special Programs" in vote 13a is:

> To provide that a person who, by reason of erroneous advice received by him from a person in the Public Service whose ordinary duties included the giving of advice relating to the Members of Parliament Retiring Allowances Act, failed to make an election or to make an election for his full period of pensionable service under that Act may, in accordance with terms and conditions approved by the Governor in Council, notwithstanding that the time therefor under the Act has lapsed, make such election as he would otherwise have been entitled to make pursuant thereto.

That is not really an appropriation; it is merely an amendment to the act hidden in a supply bill. We have seen that happen on other occasions. I have seen it done in order to allow a pension to be paid to the widow of a senator whose resignation did not reach the Governor General before he died, in which event his wife was not entitled to a pension. On that occasion, this device was used in a supply bill in order to correct the situation. This is really legislating, but as it dealt only with a matter of detail, to correct a special case, no one raised any objection.

As far as the Winter Capital Projects Fund Program is concerned, this sort of legislating is of questionable rectitude. I cannot see how clause 2 can be reconciled with the schedule covering and describing the program and the conditions, and providing for an amount of $350 million.

• (1620)

I think my comments should be related to those made by Senator Grosart, that the device of using a supply bill in effect to legislate rather than to appropriate moneys for the public service, is a bad one, because Parliament is very often being placed in a position of not being able to recognize exactly what it is doing.

[*Translation*]

Hon. Mr. Lamontagne: I merely wish to ask—since I did not follow the proceedings in committee—whether this point was discussed then.

Hon. Mr. Flynn: It could not be because we had only the estimates; we did not have the bill. That is why I suggest that the bill can, in itself, often be very different. Granted, the estimates mentioned this, but we did not know what form the bill would take.

The bill merely tells us that we are voting, for the current fiscal year, the amount of $1,290 million of which $350 million to that end, but for the current financial year, when in fact the $350 million is supposed to cover three years and not three months.

[*English*]

That is why I say very often these estimates deserve closer attention than we can give them in a few hours here in the Senate. We are in a better position than the other place to do such work, to make such a study. We should take the time to do so properly. That would be acting responsibly.

I read the *Debates* of the other place. When it comes to problems of this kind, problems of principle, while I do not say that they are not interested, they are much more concerned about the possible reactions back home in their ridings. We don't have that problem. We are not against subsidizing public work at this time, although we know that this was not government policy until the result of the election indicated to the government that they were going in the wrong direction. That is something we have discussed previously, and I do not intend to come back to it. I say there is more in this bill than meets the eye, and I would like it to be referred to committee to clarify the problems I've pointed out.

Incidentally, there is another point. We are appropriating the amount covered by the Governor General's warrants for the unemployment insurance fund, amounting to something like $454 million. We do not know if the government needs that at all, now that it has passed legislation to remove the ceiling. I think the way to deal with this situation would have been by saying in the bill removing the ceiling that Parliament ratifies the advances made to the unemployment insurance fund of so many millions of dollars through Governor General's warrants issued on October 5 and December 14, 1972. That would have been the better place to do it.

I am not sure whether these advances are supposed to be sums of money appropriated for the public service, because advances are not the same as loans and expenses. I understand part of this will be repaid to the government by the unemployment insurance fund. If this is not possible, and if there is no other way but to subsidize the fund definitely, we should have legislation to do so. I suppose the government takes the attitude that by this device of doing these two things together, passing the bill removing the ceiling, and appropriating this sum in this bill, they can avoid coming back to Parliament and do whatever they want when the accounts are finally audited.

When we are faced with an appropriation bill which is clearly and exclusively an appropriation bill, the National Finance Committee can certainly deal with it. But the bill itself sometimes will change the whole problem, the whole perspective of Parliament. For that reason Parliament, and the Senate in particular, should have ample time to consider all the aspects involved in such a bill.

Therefore, I suggest that the bill be referred to a committee. Normally it would go to the National Finance Committee, but really what I want to have is some legal advice on what I consider irreconcilable—the text in clause 2 and the schedule concerning the winter works program.

Honourable senators, I repeat that it does not worry me for a moment that this bill won't receive royal assent until tomorrow, one day after the deadline given by Mr. Drury. Mr. Drury gave this warning only, as is mentioned by Senator Langlois, on Tuesday last, February 20, and the bill was passed at 10 o'clock that evening. Only one day has passed since the warning was given or since we learned of it. In fact, as was mentioned by Senator Grosart, officially the Senate was not made aware of it before today. I cannot see that it will make very much difference if this bill receives royal assent tomorrow, after we have had a chance of questioning officials of the Department of Finance or the Department of Justice, depending on whom the Acting Leader of the Government will want to have answer the questions I have put.

Honourable senators, again I do not apologize for having refused to give leave, for refusing to proceed with third reading today. I think we should consider these bills as much as the circumstances of each case will allow. Tomorrow will be Friday. Even if the bill received royal assent tonight, the cheques couldn't be mailed until tomorrow. If we pass the bill tomorrow morning, the cheques will go out tomorrow afternoon. In either case, they'll be received on exactly the same day, Monday.

With these remarks, I would hope that, when the bill receives second reading here, the sponsor will move that it be referred to a committee.

• (1630)

Hon. Mr. Langlois:: Honourable senators—

The Hon. the Acting Speaker (Hon. Mr. Bourget): I must ask Senator Langlois if it is his intention to close the debate.

Hon. Mr. Langlois: Yes.

The Hon. the Acting Speaker (Hon. Mr. Bourget): Then I will have to inform honourable senators that if the honourable Senator Langlois speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Langlois: Honourable senators, first I wish to give an answer to the question put to me by Senator Cameron regarding the grant to the National Theatre School. The total amount of the grant is $2,529,000. The average annual enrolment at that school is 100 students, which gives, therefore, approximately an average per student of $25,290. I should add, however, that most of this grant is to enlarge and equip the school premises, which would permit a higher enrolment in future years.

I should like to refer to the $60 million item which Senator Grosart mentioned, and about which he levelled some criticism at the government for not having distributed that amount over the departments from which the jobs are going to be secured. My answer to his criticism is that, as I explained earlier, these jobs were distributed among the departments using criteria such as population, the rate of unemployment, climatic conditions, and so on. Also, these jobs were chosen on the basis of a study made by civil servants, and the government had to make a choice of positions which would yield the greatest number of man-hours with the least possible expenditure. I am informed that when the estimates were prepared that study was not yet completed and, therefore, it was impossible to make the distribution to various departments. It was then decided that it would be more practical to put that item under Treasury Board and stipulate the various criteria under which the amount would be distributed among the various departments.

I pass now to the criticism levelled by Senator Grosart regarding the use of special warrants to provide the necessary funds to pay unemployment insurance benefits for the period during which Parliament was not in session. This was fully covered by the Honourable Mr. Drury when he was before the Standing Senate Committee on National Finance, at which time he explained first that the Unemployment Insurance Commission is a totally independent body doing its own estimating, its own accounting, and having its own administration.

Hon. Mr. Grosart: And its own minister.

Hon. Mr. Langlois: And its own minister, yes, if you wish to add that. But the forecasting of this commission is also regularly checked, so I am told, by the Auditor General. I must say that I have read through the proceedings of that committee and I have seen no evidence to the effect that the minister had been informed before Parliament was prorogued that funds were going to be exhausted as from

such a date in October. I do not remember the exact date in October, but I believe it was the latter part of October.

Hon. Mr. Grosart: Would the honourable senator allow me to clarify? I am sure he would agree that I made it quite clear that I was not saying that the minister knew.

Hon. Mr. Langlois: Oh, no. I am merely adding that I have gone through the proceedings of that committee and I have been unable to find any such evidence. I am not suggesting that you charged the government with having done this deliberately.

At any rate, the second suggestion made by Senator Grosart was to the effect that, with regard to the second series of special warrants, Parliament could have been reconvened after the election, some time in December. I have not checked as to the earliest date at which Parliament could have been reassembled, but it would have been early in December.

Hon. Mr. Forsey: December 5.

Hon. Mr. Langlois: December 5, yes. Mr. Drury explained before the Standing Senate Committee on National Finance that one would have to allow at least a minimum of 30 days before any new Parliament could deal with supplementary estimates, or estimates of any kind. If Parliament had reconvened on December 5, which was the earliest day it could have met, that would not have provided sufficient time for the houses to pass supplementary estimates for the period which the first series of warrants was to cover, because it was originally forecast that these funds would be exhausted some time around the end of December, but in fact the funds lasted until the 3rd or 4th of January.

As Mr. Drury said before the committee, when he was explaining why the second series of warrants provided funds to cover a period as far ahead as February 8, it would have been like putting a gun at the head of Parliament if they had been asked to do that in so short a period after the opening of a new Parliament. After all, there has to be the Speech from the Throne and the debate on the Speech from the Throne, and it is necessary to give ample time to both houses to consider any new expenditures, and that would require at least 30 days. So, it would be quite presumptuous for any government to anticipate that a new Parliament would be able to act that fast.

That argument is borne out, I suggest, by what is presently happening. Parliament has been in session since January 4; today is February 22, and the bill has not yet been passed. Obviously, 30 days would not have been sufficient to allow Parliament to provide the necessary funds even if the house had been reconvened on December 5 with the purpose of providing the money to cover the necessary period.

Hon. Mr. Grosart: May I ask a question? Would the honourable senator not agree that the government could have set a deadline, and then announced to the House of Commons and the Senate that, if the bill did not pass, the unemployed would be starving the next day?

Hon. Mr. Langlois: I am quite surprised to hear Senator Grosart make that remark. He has been levelling criticisms today about deadlines, and now he is suggesting a deadline himself. He is changing his mind so rapidly that I can hardly follow him.

Hon. Mr. Grosart: I am merely suggesting that the government could have employed a skill which it seems to have perfected.

Hon. Mr. Langlois: I come now to the suggestion which was made by Senator Deschatelets regarding the possibility of a conference between the two houses. I think his suggestion is good, although I have not been able to find any precedent for the use of such conferences between the two houses to cover the situation which is confronting us today. Admittedly, there are many precedents for using this device when, for example, the houses are not in agreement on amendments to legislation. In fact, I have before me such a precedent.

Hon. Mr. Deschatelets: It would be unofficial, of course.

Hon. Mr. Langlois: I have before me a precedent from 1933, at which time such a conference took place after the Senate had amended a bill amending the Criminal Code, and the amendment had not been accepted by the other place. There was a kind of deadlock between the two houses.

• (1640)

The move came from the other place, and in the House of Commons there was a motion that there should be a special conference with the Senate, and this was accepted by the Senate. The conference took place. Unfortunately, I did not have the time to continue my research to find out what the result of the conference was beyond the fact that it took place.

Other than that, as I have already said, I think it is a very good suggestion, and I can assure my honourable friend that I will see that it is pursued further and given every possible consideration.

Honourable senators, as I stated on several occasions in the house last week, we have no intention on this side of trying to rush this bill through, and I even suggested that I was entirely in the hands of the Senate. I would welcome the reference of this bill to the Standing Senate Committee on National Finance, and it is my intention to so move.

I shall also seek leave later to move that when the Senate adjourns today it should stand adjourned until tomorrow morning at 11 o'clock, having in mind the possibility of the Standing Senate Committee on National Finance sitting at 9.30 a.m. to consider the bill. This would enable us to have third reading at 11 o'clock. That would give the committee an hour and a half to consider the bill.

In any event, honourable senators, as I have already said, I am in the hands of the Senate, and if the house wants the committee to sit tonight, I have no objection.

At that time I hope we shall be able to get the explanation the Leader of the Opposition was seeking in regard to Vote L12a under the Winter Capital Projects Fund program. Personally, I think the explanation lies in the direction that this vote seeks authority for the federal government to enter into agreements with the provinces, and these agreements are to cover a period of three years. However, I shall endeavour to have a minister of the Crown before the committee to elaborate further on this point.

Hon. Mr. Flynn: To clarify a point for the record, I searched through the estimates tabled the day before yesterday, and there are no provisions that I could find for the year 1973-74 or for the year 1974-75. Therefore, if my interpretation is correct, none of that money could be spent after March 31, 1973. The government could commit itself, but it would have to come back to the house for another appropriation.

Hon. Mr. Langlois: As my honourable friend has pointed out, these agreements refer to the Municipal Development and Loan Act which was passed in 1963, although that act was not reproduced in the 1970 revision of the Statutes. But there is a reference there to the definition of the agencies of the provinces with which the government is going to have these agreements to carry out these different winter works programs. In this connection also I am hopeful that all the necessary explanations will be provided when this bill is referred to committee, and I will so move.

[*Translation*]

Hon. Mr. Côté: May I ask a question? I would like to ask Senator Langlois if the President of the Treasury Board said in the other place that if this bill was not passed today, if it did not receive royal assent today, some programs would be affected and some cheques would be delayed? Is this true or false?

Hon. Mr. Langlois: I believe that the honourable senator was not here when at the beginning of my remarks, even before I moved second reading of this bill, I read from the House of Commons *Hansard*—

Hon. Mr. Flynn: Of the 20th.

Hon. Mr. Langlois: —dated February 20, at page 1474 of the *Debates* of the other place, where the Honourable Mr. Drury said that if this bill was not passed today, that is on February 22, the cheques for the Manpower programs—Canada Manpower training courses—the Local Initiatives programs, the payments to contractors who have hired unemployed people to train them on the job, as well as cheques to 74,400 recipients of war veterans allowances would not be put in the mail today. The civilian war allowances cheques—covering a group of approximately 3,300 people—would also be delayed during the period of time required to pass the bill and give it royal assent today.

Hon. Mr. Côté: Honourable senators, I was here when Senator Langlois read this statement. For this reason, I wonder if we are really aware of what we are doing presently? How is it that the Acting Leader of the Government wants to send this bill to the committee which will sit tomorrow morning instead of pursuing consideration immediately in committee or instead of moving third reading so that we can pass this bill today? Otherwise, I do not know if we are really aware of what is going on. We are attempting to restore the prestige of the Senate. We want to create a better image of the Senate throughout the country but I wonder what Canadians will think upon learning that the Senate adjourned until a certain time tomorrow to resume study of the bill in committee and will sit for an hour and a half, during which hour and a half we will try to clarify any doubts remaining in the mind of some senators concerning this bill. Later, we will return to the Senate and adopt the bill, and then there will be the royal assent. I believe the problem is more serious than that, and that to deal with it properly—

Hon. Mr. Flynn: I rise on a point of order. I have no objection to Senator Côté pursuing his remarks, but I suggest that since the debate is closed he can do so only by unanimous consent of the Senate. We can however return to this matter, if he has not quite understood my views and if he insists on doing so. I have no objection, but he is now completely out of order because the debate was closed by the speech of the acting government leader.

Hon. Mr. Côté: I rise on a point of order, honourable senators. I heard the acting government leader move that the bill be referred to a committee—

Hon. Mr. Flynn: Not yet.

Hon. Mr. Côté: I understood, "I so move."

Hon. Mr. Flynn: This is what we are trying—

The Hon. the Acting Speaker (Hon. Mr. Bourget): Second reading is not over yet and there has been no request to refer this bill to committee. In these circumstances, I was under the impression that the honourable senator was asking a question, but I admit he was going a bit further.

Hon. Mr. Langlois: Honourable senators, I rise on a question of privilege.

Senator Côté in his remarks seemed to imply that I was proposing to refer this bill to a committee because I so wished. I suggested referring the bill to a committee because unanimous consent has been refused; thus we can go no further today. We cannot accept his suggestion to pass the bill on third reading today because the Leader of the Opposition has said that he would refuse leave, and as we need unanimous consent, we cannot proceed any further.

Hon. Mr. Côté: There is no motion before the house.

Hon. Mr. Langlois: He stated before a motion could be moved that he would refuse leave.

The Hon. the Acting Speaker (Hon. Mr. Bourget): The motion cannot be put because the bill has not been read the second time. So, is Senator Langlois moving that this bill be now read a second time?

• (1650)

[*English*]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Acting Speaker (Hon. Mr. Bourget): When shall this bill be read the third time?

Hon. Mr. Langlois: For clarification purposes, with leave, now.

Hon. Mr. Flynn: Third time now? No.

Hon. Mr. Langlois: I said, "For clarification purposes."

Hon. Mr. Flynn: Let me indicate to the former Postmaster General what I said before, that if the bill received royal assent tonight the cheques would likely be mailed tomorrow morning. If the bill receives royal assent tomor-

row noon, the cheques will then be posted tomorrow afternoon. I don't see much difference, given the department's reputation for speed and efficiency, that a few hours delay can make. They will not get them before Monday, in any event.

Hon. Mr. Haig: They won't get them for two weeks.

[*Translation*]

Hon. Mr. Côté: Honourable senators, I would just like to say about this matter that if we want to know exactly the reason why the bill was not passed today on third reading, it is because we did not approve second reading yesterday and if we did not pass the bill on second reading yesterday—

[*English*]

The Hon. the Acting Speaker (Hon. Mr. Bourget): I am sorry to interrupt you, Senator Côté, but there is nothing before the Senate. We are now waiting for a motion to refer the bill to committee or, with leave, to have third reading now. We have to decide what to do.

On motion of Senator Langlois, bill referred to the Standing Senate Committee on National Finance.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Mr. 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 tomorrow, at 11 o'clock in the forenoon.

Motion agreed to.

NATIONAL FINANCE

NOTICE OF COMMITTEE MEETING

Hon. Mr. Molgat: Honourable senators, before we adjourn, arrangements have been made for the Standing Senate Committee on National Finance to meet tomorrow morning at 9.30 in room 356-S. I urge all members of the committee to attend.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, February 23, 1973

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

APPROPRIATION BILL NO. 1, 1973

REPORT OF COMMITTEE

Hon. Chesley W. Carter, Acting Chairman of the Standing Senate Committee on National Finance, reported that the committee had considered Bill C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Leopold Langlois: Notwithstanding rule 45(1)(b), with leave now.

• (1100)

Hon. Mr. Flynn: Leave is granted.

Hon. Allister Grosart: Honourable senators, I rise to speak on third reading. There are a few comments which I should like to offer for your consideration on the bill before us, largely some comments on comments that were made on my comments yesterday. I might say that they were very valuable comments and I am glad they were made.

Hon. Mr. Langlois: Which ones?

Hon. Mr. Grosart: As Senator Langlois has asked which ones, I will start with his. Senator Langlois seemed to raise some doubt as to whether I was correct in saying that Parliament could have been called into session to deal with the matter which was dealt with under the second warrant respecting the unemployment insurance fund.

I was not giving just a personal opinion at that time. I had recalled a statement by Mr. Drury, the President of the Treasury Board, who was before us this morning, in which he said before the Committee on Miscellaneous Estimates in the other place on January 16, and I quote:

> There was a possibility that Parliament might have been convened. I think the date set originally was December 5.

I merely put that on the record to indicate that I was not talking off the top of my head when I suggested that Parliament could have been called into session.

Hon. Mr. Langlois: I never said that. I never suggested that you were talking off the top of your head. You are adding to my comments.

• (1110)

Hon. Mr. Grosart: That was the impression I got. I was dealing with my impression euphemistically rather than otherwise.

Hon. Mr. Langlois: I assure you that you had a wrong impression.

Hon. Mr. Grosart: Thank you very much. The spirit in the house this morning is rather better than it was yesterday, and I thank Senator Langlois for his great contribution to that. I am always happy to see him start a sitting smiling, particularly when I rise to speak.

Senator John Connolly made some interesting observations about the role of the Senate Standing Committee on National Finance. It was appropriate that he should make those observations, because I believe it was when he was Leader of the Government in the Senate that the decision was made by the Senate to send all supplementaries and estimates to the committee before the legislation arising from those estimates or supplementaries was introduced in the house. I think the general opinion is that this has worked very well, and I compliment Senator Connolly on it. I recall that I was one of those who urged that very strongly. I think that the committee, first under Senator Leonard, presently under Senator Everett, and this morning under Senator Carter, has discharged its responsibility to the general satisfaction of the Senate.

It is a mistake to assume, however, as it appeared to me Senator Connolly was assuming, that this was all we expected of the Senate on appropriation bills. I hope I am not misinterpreting him, but I thought he placed rather too much emphasis on the fact that once the estimates and supplementaries had been before the committee and reported on, the whole responsibility of the Senate was discharged. That may not have been his intention, but that was the impression I received from his remarks.

I think the best proof that that is not so was our meeting this morning. The committee considered the bill, and in that hour and a half of very interesting discussion we were not discussing the items so much as the five clauses of the bill. Obviously the clauses, particularly clauses 2, 3 and 4, which were discussed at great length, were not before the Senate Standing Committee on National Finance when the main estimates or supplementaries were before it.

I would hope that we would take the next step past that initiative of Senator Connolly's, and, in due course, have in this chamber a fairly thorough discussion of supplementaries and estimates, perhaps on the report of the committee. I would suggest this might be done on appropriate occasions by having the Senate sit in committee of the whole. Many interesting discussions on items of particular interest to senators arise occasionally almost casually in the committee, and I am sure if we had the estimates or supplementaries before us in committee of the whole a very interesting discussion would be initiated.

I believe the discussion in committee this morning fully justified Senator Flynn's suggestion that the bill go to the committee, because the minister himself admitted to us that the principal question raised by Senator Flynn had not been considered by the department, as far as he knew, or by the law officers of the Crown. I think this was

complete justification for the suggestion of Senator Flynn that this bill should go to a committee.

Senator Goldenberg made a plea that in future we should not take a stand in respect to the time schedule of passing a bill in those cases where the deadline involved individuals who might not be paid and cheques might not be sent out, and so on. I am sure we are all in general agreement that it is essential to avoid this kind of situation. It seems to me that to put it in those terms is really begging the question, because the question is not whether, when we are faced with this situation, we should co-operate and say that we cannot hold up unemployment insurance cheques, LIP cheques and veterans cheques. That is not the question. The question is, should we be faced with that kind of a schedule? Obviously, our only objection at this point is to the use of the rights of individuals to force us into this situation.

Senator Goldenberg suggested that we take a stand only when these kinds of things are not involved. But obviously if these kinds of things are not involved there is no question, because we are not up against the wall, we are not faced with a deadline. It is only so when there is a situation where we are told if—and three times in this session it has happened—if we do not pass this bill by a certain date, then individuals will suffer because of what some might regard as the intransigence of the Senate.

That, perhaps, leads me to Senator Argue's observation that the real cause of the problem was the filibustering by the Opposition in the other place. I did not rise on a point of order at that time, because I was too close to Senator Argue and could not have risen except in my own seat. I did feel then that he might have been transgressing a conventional rule we have here, that is, that we do not pass those kinds of aspersions on the conduct of their affairs by members of the other place.

I once read the reasons for that. One very good reason was given, that if one house does this to the other it will set up a cycle of retaliation. I would not be too afraid of that, because I think all the incentive to retaliation from the other place is there already, certainly in some quarters which he mentioned.

However, I think it is a fallacy, if I may say so, to use this argument over and over again, that if the Opposition in the other place did not take time, did not filibuster, as he said, then these bills would come through to us quickly and we would have adequate time to consider them.

I would suggest that the whole history of parliamentary control of the executive has been achieved by exactly this kind of thing. If you read the history of parliamentary control of the Crown, going back 300 years or more (and the not too successful control of the executive since) where there has been control it has been achieved in almost every case—in every case I can think of, historically, at the moment—by what some would call a filibuster, in other words by Parliament standing up and saying "No, no, no." The most recent famous case of that was the pipeline debate of 16 years ago. I can well remember that for days and days the press kept saying "The Opposition is obstructing, obstructing, obstructing." The obstruction, if that is what it was, achieved general agreement on a basic principle of parliamentary control at that time. I say that non-politically, because there have been occasions—

[Hon. Mr. Grosart.]

occasions in this house within the last 10 years—when the stand taken by a non-government majority in the Senate achieved some useful purposes in the understanding of the authority of both Houses of Parliament in respect to legislation.

• (1120)

Just to comment on Senator Deschatelets' suggestion, I would say that it was certainly well meant and I feel we would all hope an attempt would be made to implement it. I am not myself optimistic as to its results, largely because, as was said by several senators in the corridors, one part of the representation in the other place seems to be committed to the principle that anything it can do to embarrass this chamber is all to the good from its point of view. However, I would hope an attempt would be made, although not necessarily under this section of the joint rules. But, and this has been urged before, I think the time has come when the management of the Senate, the leadership in the Senate, should take the initiative in bringing this problem, in a friendly way, to the attention of those who have the management of the schedule in the other place. For it is the schedule with which we are concerned. We have taken a position here—perhaps you could say half a position this time—in that we on this side have said that we can only be pushed so far. We hope the other place gets the message that the solution of this whole problem is very simple, namely, that those who have the management of affairs in the other place set their deadline having in mind the rules of the Senate. It is that simple. At least it is that simple in theory; it might be more difficult in practice. But with a little practice and a little staunchness on our part here, I believe that within a year we can solve this problem.

Hon. Mr. Langlois: Honourable senators—

Hon. Jacques Flynn: I do not mind if Senator Langlois wishes to speak, because as this is third reading it would not have the effect of closing the debate.

Hon. Mr. Langlois: No, please go ahead.

Hon. Mr. Flynn: In any event, I have very few words to say. First I want to indicate that it would be entirely wrong to be critical of the Senate because it has taken two days to pass this piece of legislation. For one thing, if we had followed our rules, second reading could not have taken place before today, and, moreover, if we had referred the bill to committee, it would have gone to committee next Monday, because in accordance with our rules we do not sit on Saturdays. As a result the bill could have received third reading only on Tuesday of next week. Therefore, it seems to me that the Senate has proceeded quickly and that the government side of the house will appreciate that the Opposition, despite the fact that sometimes it feels it is being pushed, has been nonetheless co-operative and has not reacted pettily to the shabby way in which it is sometimes treated. I believe we have acted in a responsible way and I would like to put that on the record. I would suggest that there should be agreement on all sides that that is correct.

I should like to say just a word about the committee, meeting this morning. As Senator Grosart mentioned, the meeting was both useful and interesting. Some good may well come out of it. I hope those of you who were not there

this morning will eventually read the proceedings. You will find them interesting.

Yesterday I raised an objection that there might be a contradiction between clause 2 of the bill and the schedule in so far as the winter works program is concerned. That objection is going to be studied by the Department of Justice, and the chairman of the committee will receive an opinion from the department on that specific point. Of course, as was mentioned, it is not a reason, even if I am right, for delaying the passage of the bill. I say this because if there is, let us say, any irregularity in the bill, then it can be corrected by making provision for this program in the supplementary estimates—since the main estimates provide nothing for it for the time being—that will eventually come for the fiscal year 1973-74. I think this proves, honourable senators, that with the possibility of having to correct problems such as this, we must examine appropriation bills, especially since in many cases appropriation bills are not in fact appropriation bills but are to the extent of 50 per cent of their substance purely legislative. The present bill is a case in point.

With these few remarks, honourable senators, I hope that those of you who have been delayed here today will forgive those of us who considered that we had a responsibility to point out what we think are deficiencies in this bill. We felt justified in asking that it should be sent to committee even though it resulted in our having to sit today. If my understanding is correct, however, the leader is to propose an adjournment for a certain period of time that will more than compensate for the time you have spent here on a Friday.

Hon. Mr. Langlois: Honourable senators, I shall try to be brief in my remarks and I shall deal only with those comments of Senator Grosart which concern myself. I want to reiterate that I did not say yesterday, nor indeed have I the intention of saying at any time, that he was speaking off the top of his head. Far be it from me to be in any way discourteous to my honourable friend.

All I said yesterday was that his suggestion that Parliament could have been recalled in time to deal with the second series of special warrants through an appropriation bill instead of proceeding, as was done, by special warrants, was unrealistic. I based my statement on what the Honourable Mr. Drury said before our committee on National Finance on February 20. I know he had made a previous statement before the committee of the other place, and there was apparently no connection between the two statements. But he said that early in December the government had tried to assess the situation and had come to the conclusion that it would be presumptuous on their part to expect a new Parliament to deal with an appropriation bill in a period shorter than 30 days, because time had to be allowed to the new Parliament to deal with the Speech from the Throne, to arrange for the organization of its standing committees and time also had to be allowed for this new Parliament to deal through the house and through its committees with this appropriation bill. I added that this assessment by Mr. Drury was borne out by the facts.

This Parliament has been in session since January 4. Today is February 23 and the appropriation bill has not yet been passed. So, the period of 30 days which the minister had assessed as being necessary to deal with an appropriation bill by a new Parliament was, in fact, a conservative one, because more than 30 days have now elapsed since the new Parliament was called into session, and the appropriation bill is still being considered by this house. The only point I made yesterday was that this point of view is amply justified by the evidence as we know it today.

• (1130)

Hon. Mr. Flynn: May I put this question to the Acting Leader of the Government? If, instead of dealing with supplementary estimates Parliament had been recalled in December and a bill had been presented right away to remove the ceiling of $800 million on advances by the minister to the Unemployment Insurance Commission fund, isn't it so that you would not have needed any estimates, or any warrant for the period after December 14?

Hon. Mr. Langlois: My honourable friend is forgetting a very important factor—the very composition of the other place as it is now. As my honourable friend and the public know, no party has control of that house and it is pretty hard to forecast the amount of time that house would take in dealing with an appropriation bill or any other piece of legislation.

Coming back to the suggestion made by my honourable friend Senator Grosart, it has been established that the earliest date Parliament could have been recalled would have been December 5. Taking into account the holiday season during which Parliament would have had to recess, and considering the fact that the estimating done by the Unemployment Insurance Commission on the second series of special warrants, and the fact that the authority to draw on the consolidated revenue fund would have been exhausted by the end of December—in fact, it was exhausted a few days later, on January 3 or 4—even with that period of 30 days there was not enough time for the government in a new session of Parliament to pass this bill.

Hon. Mr. Flynn: We passed that bill in time. That is my point. When Parliament was told that the amount involved in the second warrant would be exhausted and that therefore the bill removing the ceiling had to be passed by a certain date, it was passed. The problem would have been the same if the bill had been introduced at the beginning of December, and if it had been said that the fund was going to be exhausted in a few days, Parliament would have passed the bill then as it did later on.

Hon. Mr. Langlois: My honourable friend is referring to the bill amending the ceiling, not of the fund but of the drawing authority of the Minister of Finance.

Hon. Mr. Flynn: That is right.

Hon. Mr. Langlois: It is true this bill was passed, but not before February 8. We had money to carry on to February 8 because of the special warrants. So this does not answer the point made by Senator Grosart.

Hon. Mr. Flynn: I am answering your point.

Hon. Mr. Langlois: The money would have been exhausted by January 4.

Hon. Mr. Flynn: Yes, but you had money at the beginning of December to carry you until the end of December. What I am suggesting to you is that if the bill were to have been introduced at the beginning of December it could have been passed by Christmas. That is quite obvious.

Hon. Mr. Langlois: My honourable friend is comparing two different situations. The situation in December would have been different, because the Christmas holidays were coming into play. This situation was not repeated in January. I repeat that it would have been very unwise for the government, and presumptuous on its part, to say that this legislation would be passed in time to provide payments, not on February 8 but on January 4, as the authority was exhausted. As I said at that time, the assessment was that this authority would be exhausted at the end of December. In fact, it lasted until January 4. However, I do not think governments have the right to take chances with situations over which they have no control. Again my honourable friend is forgetting the composition of the present House of Commons, where no one is in control.

Hon. Mr. Flynn: It did not change between December and January 5.

Hon. Mr. Grosart: Honourable senators, it would not be in order to continue the debate but perhaps I may be permitted to ask the Acting Leader of the Government—I called him the Leader of the Government yesterday and I see *Hansard* changed it to Acting Leader, but my understanding is that under our rules when he is sitting here in this capacity he is the Leader of the Government. The question I would ask him is if he recalls a recent occasion when the government was not very much concerned about the Christmas holidays, and at the same time thank him—

Hon. Mr. Langlois: And we also adjourned for Christmas.

Hon. Mr. Flynn: For the day.

Hon. Mr. Grosart: On Christmas Eve. I thank him for putting it so well on the record that the government, on this one occasion at least, was concerned about being presumptuous in its attitude toward Parliament.

Hon. Mr. Langlois: My honourable friend again is switching to another situation. We are pressed for time and you will appreciate that I am in the position that we expect the Deputy of His Excellency to arrive shortly.

I think I have covered quite well the points made by both my honourable friends and I do not believe I would be able to satisfy them even if I spoke for another hour. I do not intend to reply to the comments respecting the remarks of Senator Connolly (Ottawa West) and Senator Goldenberg, but will leave it to them to cover these points.

[Hon. Mr. Langlois.]

I return now to the suggestion that the Senate should give leadership in endeavouring to arrange a schedule for the legislation to be dealt with by the two houses. Yesterday a suggestion was made by my honourable friend Senator Deschatelets with regard to which I said I was very much interested and that it would be pursued. In my opinion it is a direction in which the Senate should take leadership. I can assure my honourable friend that although my power is very limited, as he pointed out, I being merely an assistant to the government leader, I will use what little power I have to attempt to see that this idea is pursued.

Now I come to a few words in relation to the remarks of my honourable friend the Leader of the Opposition. I agree with him that the Senate cannot be criticized for having taken the number of days it did to consider this legislation. We have demonstrated this morning the real role of the Senate, and I am very pleased that we had an interesting discussion in committee. I wish to remind my friend that last week I repeatedly said in this house that I was not asking for leave. I never attempted to push the Opposition. As soon as the Opposition indicated that they did not intend to grant leave, I yielded immediately to their undeniable right and privilege to take that position. I do not think anyone can say that we on this side have pushed anyone in any direction whatsoever.

In connection with the debate that took place this morning, the Leader of the Opposition was right in suggesting that it would be very useful to obtain a legal opinion from the Department of Justice with respect to the wording or drafting of the legislation. We are expecting this opinion. It was agreed in committee this morning, however—and this should be said at this stage—that it is only a question of wording. There is apparently a contradiction between the preamble and the schedule to the bill. I even suggested this morning that this degree of apparent contradiction could probably be explained by the words "unless otherwise provided" in the preamble. This phrase probably covers any possible discrepancy between the preamble and the schedule. But even if the suggestion of the Leader of the Opposition is accepted as being right—and I do not say it is not—this matter could be corrected by a simple supplementary item in the next budgetary provisions after March 31. If the funds are not available to the government to pursue the winter works program, the situation can be easily remedied by putting through a supplementary estimate. That would correct the situation.

• (1140)

Hon. Mr. Lamontagne: Or by Governor General's warrant.

Hon. Mr. Langlois: Not when the house is in session.

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

23 February 1973

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 23rd of February, 1973, at 12.45 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.

AGRICULTURE

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(h), moved:

That the Standing Senate Committee on Agriculture have power to sit during adjournments of the Senate.

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 13, 1973, at 8 o'clock in the evening.

Before this motion is voted upon, I should like to draw the attention of honourable senators to the fact that four committees of the Senate have been authorized to meet when the Senate is not sitting. They are the committees on Foreign Affairs, Legal and Constitutional Affairs, Science Policy, and Agriculture.

I am informed that these committees are planning sittings during the adjournment. As a matter of fact, I have been informed that the Standing Senate Committee on Legal and Constitutional Affairs has arranged for almost continuous sittings during the week of March 6. This adjournment will provide the chairmen of these committees a free hand in arranging any sittings they may wish to have during the adjournment. It means, therefore, that the Senate will not be idle during the adjournment. It is anticipated that honourable senators will be very busy.

Hon. Mr. Grosart: May I ask the Leader of the Government if he has any information regarding sittings of any other committees. I know that some sittings have been arranged tentatively.

Hon. Mr. Langlois: My only definite information is that the schedule has been arranged for the Standing Senate Committee on Legal and Constitutional Affairs. I know that the chairmen of the other committees are planning sittings, but I do not think their schedules have been finally arranged.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO ADJOURN FROM PLACE TO PLACE

Hon. Gildas L. Molgat moved pursuant to notice:

That the Standing Senate Committee on Foreign Affairs, which was authorized by the Senate on the 14th February, 1973, to examine and report upon Canadian relations with the expanded European communities, be empowered to adjourn from place to place for the purposes of the said examination.

Motion agreed to.

Hon. Leopold Langlois: I move, seconded by Senator Molgat, that the sitting of the Senate be suspended during pleasure and that the Senate reassemble at the call of the bell at approximately 12.40 this afternoon.

Hon. Mr. Flynn: I will not object to the motion, because I understand there is a reason. We are awaiting the arrival of the Deputy of His Excellency the Governor General; otherwise, as my honourable friend knows, I do not like that kind of motion.

Hon. Mr. Langlois: It is very hard to please the Leader of the Opposition at all times.

The Senate adjourned during pleasure.

At 12.45 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 Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

> May it please Your Honour:
>
> The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.
>
> In the name of the Commons, I present to Your Honour the following bill:
>
> An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.
>
> To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

FOREIGN AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

Leave having been given to revert to Notices of Motions:

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

> That the name of the Honourable Senator Asselin be substituted for that of the Honourable Senator O'Leary on the list of senators serving on the Standing Senate Committee on Foreign Affairs.

Motion agreed to.

The Senate adjourned until Tuesday, March 13, at 8 p.m.

THE SENATE

Tuesday, March 13, 1973

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

Prayers.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Lambert (Edmonton West) has been substituted for that of Mr. Bell on the Joint Committee of the Senate and House of Commons on the Library of Parliament.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-31 (LACHINE)—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-31, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Honourable Senator Molgat, for Honourable Senator Forsey, moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

BILL C-156 (WATERLOO)—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-156, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Honourable Senator Molgat, for Honourable Senator Forsey, moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of a letter, dated February 20, 1973, addressed to the Minister of Communications for the Province of Quebec by the Minister of Communications of Canada with respect to communications.

Report of expenditures and administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1972, pursuant to section 8 of the said Act, chapter U-1, R.S.C., 1970.

Report of the Department of Transport containing a Statement of Wharf Revenue Receipts, a Statement of Harbour Dues and a Statement of Leases granted under authority of the Government Harbours and Piers Act, pursuant to section 14 and 18 of the said Act, chapter G-9, R.S.C., 1970.

Lists of shareholders in the Chartered Banks of Canada as at the end of the financial years ended in 1972, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

List of shareholders in the Montreal City and District Savings Bank as at October 31, 1972, pursuant to section 101(1) of the Quebec Savings Banks Act, chapter B-4, R.S.C., 1970.

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

Report of the Fitness and Amateur Sport Directorate for the fiscal year ended March 31, 1972, pursuant to section 13 of the Fitness and Amateur Sport Act, chapter F-25, R.S.C., 1970.

Copies of a Report, dated April 24, 1972, of the Commission of Inquiry into certain disturbances at Kingston Penitentiary during April 1971 (J. W. Swackhamer, Q.C., Chairman).

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1973, 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. 1973-440, dated February 22, 1973.

Copies of Communiqué, dated March 2, 1973, entitled "Act of the International Conference on Vietnam".

Copies of Statement, dated February 26, 1973, by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Opening Session of the International Conference on Vietnam, held in Paris, France.

Copies of Statement, dated March 1, 1973, by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, to the Plenary Session of the International Conference on Vietnam, held in Paris, France.

Supplementary Estimates (B) for the fiscal year ending March 31, 1973.

Revised Capital Budget of the Northern Canada Power Commission for the fiscal year ended March 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-279, dated February 1, 1973, approving same.

Capital Budget of Northern Canada Power Commission 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 copy of Order in Council P.C. 1973-280, dated February 1, 1973, approving same.

Report respecting operations of the Medical Care Act for the fiscal year ended March 31, 1972, pursuant to section 9 of the said Act, chapter M-8, R.S.C., 1970.

• (2010)

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (B) REFERRED TO NATIONAL FINANCE COMMITTEE

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 1973.

Motion agreed to.

THE SENATE

NEED FOR REFORM—DEBATE ADJOURNED

Hon. David A. Croll rose pursuant to notice:

That he will call the attention of the Senate to the urgent public need in Canada for Senate reform now.

He said: Honourable senators, the purpose of the resolution and my speaking tonight is to present a 12-point plan for Senate reform in the seventies. In the form that I give it to you tonight it will be distilled wisdom. I think the Senate has a problem.

Hon. Mr. Choquette: Just one?

Hon. Mr. Croll: And if you don't think it has a problem, then we have a problem indeed. This is a serious attempt on my part and I hope it will have the result of interesting members of the Senate in the subject of the reform of the Senate. My purpose tonight, therefore, is to make a record so that it may be read, so that it may be examined and so that other views may be placed before the Senate. In doing so I may take a little longer time than usual. I shall appreciate your indulgence.

You may ask, as you have the right to ask, what gives me the idea that I have the qualifications to dispense advice as well as wisdom. I began my political life as Mayor of Windsor in 1930, during the height of the depression when the city was very hard hit. There was no time for training, and whatever training was done was training on the job. I spent nearly ten years there and later became a member of the provincial Legislature where I held three portfolios, Welfare, Municipal Affairs, and Labour. In fact for some years I was at the same time both Mayor of Windsor and member of the provincial legislature and they overlapped because in those days there was no law against this.

In 1945 I came to the House of Commons where I spent 10 years and then in 1955 I came to the Senate and as of now I have spent 18 years here. If you add it all up you will realize that I have been in politics now for more than 40 years, longer than anyone else in the Senate and indeed longer than anyone in the House of Commons. I am a graduate of the Canadian school of practical politics. I have been doing post-graduate work here in the Senate for the last 18 years. But this is the end of the road. I have recently entered my seventy-third year and I have lifetime tenure in the Senate. You may say to me, "You don't look too old; you are very active." Well, that may be. One of the inheritances from my parents, both of whom lived to a great age, was the physical gift of growing older without growing old, for which I am very thankful.

Honourable senators, in saying what I am about to say, let me make it clear that I am not preaching for a call; there is nothing I want from the Senate. I realize fully that I am in my twilight years and my future was yesterday. What is more, if my lifetime tenure should stand in the way of the reform of the Senate, then I am prepared to forego it if others will do likewise. The Senate is important to me because it provides me with something to do and a place to serve. If I did not have my duties as a senator, then I would have my law office to keep me busy. I also have some interests in the business world. But, honourable senators, I prefer to stay in the Senate and for that reason my lifetime tenure is important. But, as I have said, I am prepared to give it up if others will do so.

I have been fortunate. I am doing here today and have been doing during my 40 years in politics the things that I like to do and what I consider I am qualified to do. That sort of opportunity is given few men. I want the Senate to be a better and more acceptable place after I leave, not because I have left it but because I was part of it.

• (2020)

Perhaps I could spend a few minutes to tell you about my time in the House of Commons. I had good political training in the house. I was chairman of some very important committees, such as Defence Expenditures, the Bank Act, "horses on the payroll" which some of you may remember, Labour, Veterans, and many others. When there was a special committee at the drop of a hat I would chair it, and I was generally able to come out alive. Frankly, the Senate was not my cup of tea; in modern language, it was not my bag. I had been used to the cut and thrust of politics. I liked the House of Commons. It suited my temperament, and I felt at home there.

However, I did come here and you might well ask, "Why did you?" I think you are entitled to an answer. If you understand my background as a member of an immigrant minority you will understand that there are pressures unseen, but very real and very worthy. There is an overriding sense of obligation to open doors which have traditionally been closed, and to provide opportunities for new Canadians to fully join the Canadian family. The most effective way is to get elected to Parliament. That is acceptance. It sets the tone because it is Parliament. I need not tell you that to us minorities there were bolted doors that had to be unbolted and unlocked. People of my tradition suffered the most for doors were slammed in their faces. After 80 years the anglophones and francophones, who had had this Senate all to themselves, finally let us come in out of the cold to join the Senate, and to show that we can take our place alongside our fellow Canadians who were the founding fathers.

Senator Wall, a professor from Winnipeg, came into the Senate when I did. He died very prematurely. Hnatyshyn begot Yuzyk; Gladstone begot Williams; and Wall was not replaced. The three members of my tradition have been improvements on the original. I did not think this would ever be necessary in this country, but the francophones feel the necessity to prove their undoubted capacity; so at the Canadian Radio-Television Commission we have Juneau, and at the CBC we have Picard. They are proving to the Canadian people that which should be unnecessary to prove.

We have long overlooked Canadians of immigrant background who have, by service and responsibility, earned beyond question the right to be represented in this great chamber of Parliament. Since 1917 there have been minorities represented in the House of Commons. It is unfortunate that today we neglect Canadians of Italian background, German background, and Polish background, to name only a few, who are here in large numbers and who are good Canadians. This should be remedied as quickly as possible and I will indicate today how it could possibly be done.

I came to the Senate in 1955. I must tell you I was bored and frustrated. It was an intolerable situation. There were great men in here, fine men. No one would dare use any but the finest words in speaking of them, and they did not neglect their responsibilities or their duties. We met, we prayed, and we adjourned. They were old and they were coasting. There was a small group, an oligarchy, which conducted the business. We were young, we were fresh, and we were anxious. We came to serve and we remained to sit, and history is repeating itself now. Many here sit who came to serve; there has not been much change in that respect. Senator W. Ross Macdonald was the leader when I came here. He was never a captive of Cabinet, neither was Senator Connolly. They were both very flexible. They were both members of the Cabinet, but the Senate was number one for them. They were primarily interested in the Senate, which is not the case today.

After a while Senator Macdonald sensed that there was a revolt among the youngsters or, at least, the new men. The Senate at that time was in the public eye mistrusted, misunderstood, in many circles disliked and written off; in any event at a very low ebb. The administration, as I have indicated, was in the hands of a competent, capable, but chosen few. There was no response to change. All important posts were allotted, all interesting assignments were designated, and all junkets spoken for. They were very well organized to do nothing more than rubber stamp that which the Commons sent over, although I must say that they did it with a great flourish and some very fine speeches.

We sat for very little time in the winter. We adjourned long enough so that everyone who could afford it could go south. We did not sit in the summer, and in the fall absenteeism was heavy. As I say, they did whatever they did with a flourish, which was still better than our travelogues and repetitious speeches which we give from time to time in order to appear to be doing something. The Senate was at a low ebb. The public did not care. They were not mad. They just ignored the Senate for all purposes; they wrote it off.

So, out of desperation and to avoid unpleasantness, but with the grace of leadership, both Senator Macdonald and Senator Connolly agreed to, encouraged, and assisted the initiation of inquiries which formerly had been carried out by commissions and royal commissions, the reports of many of which had been neglected. They permitted a member to make a choice and show initiative, subject to the consent of the Senate.

• (2030)

Senator Martin pursued this initiative and in some ways enlarged on it. But there appeared here in the Senate for the first time upstarts who did not always agree with government action and policy, and had hard questions for the establishment. This was the beginning of a new course for the Senate. It was a new direction, a new concept, and the Senate started reaching out to new horizons.

It began slowly in 1958 with Land Use, and went into high gear in 1960 with Manpower and Employment. We were beginning to deal with problems that touched people—bread and butter problems. I propose to relate some of them to you, because we studied them well, as we do now and continue to do. We do this work much better than a royal commission. Later on I will tell honourable senators about the expertise which we have in this house, but which we have not used. We not only have the expertise, but it costs less, and we have the impact of continuity in that we are here to see that something is done about the various things that are recommended from time to time. In the past 15 years I think we have made spectacular progress in the Senate. We had such a long way to come, and we have had problems.

We changed the face of the Senate for the better, and our own generation—by then we too were getting older—responded and gave us a degree of confidence. We were dealing with subject matters to which they responded, because their grievances had long been neglected. Aging is the best example.

We lost some perspective in this place. A politician should have periscopic vision if he hopes to stay in business. We did not have that. There was a new generation growing up with somewhat different ideas. There were persons who demonstrated their love for free speech by denying it to others. There were persons devoted to peace who were using violence. There were those who had a thirst for education, and they expressed it by wrecking classrooms and destroying buildings and equipment. We had not quite made it with them.

But we did change the face of the Senate. Time gave us some help. Some of the older men went to their just reward, and our appointments became younger, abler, better qualified. They came to serve. They stayed to sit, and many of them ended up by moonlighting to the Senate rather than from the Senate. These people came to participate, to display and use their capacities, and in time they became part of the fixtures and lost interest.

Honourable senators will see why I did not raise this before, and I do so now by turning to the *Debates of the Senate* of February 6, 1969, at page 982 where there is the following:

> HON. JOHN J. CONNOLLY: Honourable senators, I rise on a question of privilege, and I am sorry that the

Leader of the Government (Hon. Mr. Martin) is not in his place when I do so.

It has come to my attention that among the documents tabled this afternoon, which he did not mention specifically in the tabling, is a document called "The Constitution and the People of Canada." This document is a white paper prepared, and presumably circulated, by the government in connection with the federal-provincial conference which is to start on Monday next. Some half hour ago I tried to get a copy of this document and I was informed by the distribution office that they were no longer available. Somehow or other a copy has now appeared on my desk.

Certainly I express my own feeling of outrage that a document like this, which vitally concerns the constitution of this house, should be brought to us here on the eve of an adjournment which will last until Tuesday night, when the constitutional conference will virtually be finished.

And there is an interruption at that point. Then Senator Connolly continues:

I think that in common decency and courtesy to the Senate, at least the attention of senators should have been drawn to this document when it was tabled. There was no opportunity for any of us to see it, and there will be no opportunity for any of us to discuss it until Tuesday night. By that time, of course, any provisions affecting the Senate will probably have been dealt with, if they are reached at that meeting. I simply object to the method of tabling these documents without our knowing what is in them, without our knowing at least what the title of the document is.

I think that if the privileges of the Senate have not been violated, certainly the courtesies of the Senate, courtesies that are due to all honourable senators, have been outraged.

SOME HON. SENATORS: Hear, hear.

HON. JACQUES FLYNN: Honourable senators, I share the sentiments—

HON. MR. CONNOLLY (OTTAWA WEST): Indignation.

HON. MR. FLYNN: —the indignation of Senator Connolly concerning the tabling of this document. To show how much it affects the members of the Senate, I think I should quote for the record from page 30.

I do not know to what that reference refers—the document, perhaps. Then the discussion continues:

HON. MR. ROEBUCK: I have not received a copy of it yet.

HON. MR. CONNOLLY (OTTAWA WEST): Nobody has.

HON. MR. FLYNN: That is the reason why I think I should quote from it. It is an excerpt from the chapter entitled "The Senate". It deals generally with the role of the Senate, and then says:

The Government of Canada would therefore propose a new approach to the organization of the Senate to achieve this end.

I think nobody would quarrel with the end that is outlined, but here is the substance of what I want to put on the record:

The Senate could be partly selected by the federal government and partly selected by provincial governments. The method of selection of senators by the provinces could be by nomination of the provincial governments, acting with or without the approval of their legislatures, depending on the provisions of each provincial constitution. The term of office for senators could be limited to a specific number of years—perhaps six.

Equitable transitional arrangements would of course be required in respect of those holding Senate appointments at the time these changes come into effect. These arrangements would have to be considered with care, ensuring that no injustice is done while at the same time permitting those changes required in the interests of the Canada of the future.

I merely want to say that these words that I have just quoted do not suggest the abolition of the Senate, but they certainly suggest the dismissal of the present membership.

HON. MR. FOURNIER (MADAWASKA-RESTIGOUCHE): Do I understand that copies are not available?

HON. MR. CONNOLLY (OTTAWA WEST): That I cannot answer. Half an hour ago I tried to get copies and was told there would be no more available until tomorrow. Now, miraculously, a copy has appeared on my desk. I should add that I do not say what I do to provoke a debate on the substance of the document. That is impossible at a time like this; nobody is prepared for it. But I do object strenuously to the method in which the document was produced, so that we had to go through the back door to find out where and what it was.

Just to enlarge a little on what he said, the Senate's views on reform were placed before that body and yet not a single member of this chamber knew, contributed or had any input in it whatsoever, except the Leader of the Senate and some civil servants. It became necessary, as I will later indicate, that we should be heard. Other people cannot solve our problems; we have to do it. Immediately after that, the Prime Minister said in a public statement that he would see to it that we were heard; that was on the next day, on February 7, when we were assured that the Senate views were wanted.

• (2040)

Sometimes those people who call attention to problems and insist that they be dealt with end up by being considered the problem. I think I am doing what needs to be done and what has been delayed for too long. I will later indicate why I do it now. If we do not do something quickly, I believe it will only be a matter of time before something is done, because we are still looked upon as a place of privilege, remote from the problems of ordinary people, and by the House of Commons as an appendage.

We need to clearly, outspokenly, critically and courageously assess ourselves from time to time and take remedial action. That is what the electors do when an election is held, and sometimes those who present themselves for election are a little surprised. But to the mind of man, non-elective is non-representative, and many of the

public look upon us as not gone but forgotten. Let us see if we deserve that by any standard.

What are we doing? How are we doing it? What should we be doing? I said we should change our course. Keep this in mind. We pass judgment on legislation which is the work of others. That takes judgment and knowledge. With a special committee, however, others pass judgment on our work. That is a much more demanding undertaking. Yet the reports of the Senate over a period of years have stood up extremely well. They have been useful in research, imaginative in ideas, resulting in legislative action, sometimes beyond our hopes, and keeping the interest and participation of many senators.

What have we been doing? We have been carrying out our normal responsibilities, examining bills and doing what has had to be done for years. One of the best reports on what the Senate has been doing through its committees was made by Senator Hastings in a speech on Wednesday, April 30, 1969. It was a well-documented report, and what I am doing today is bringing you up to date on it, because it fits into the ideas I have in finally presenting the program.

We began between 1957 and 1963 with the Special Committee of the Senate on Land Use in Canada. The purpose of that committee was to ensure that our land resources were more effectively utilized for the benefit of the Canadian economy and the Canadian people. It did not make much of an impact in 1960, but whoever suggested it at the time had his head on his shoulders. He could see further than most of us. We had as the chairman of that committee a very wise and fine gentleman, the former Senator Arthur M. Pearson. He was a co-operative man who loved land, who loved people. He had a deep understanding of the problem. He was absolutely reliable. I got to know him well, and when he served on the Special Committee of the Senate on Poverty he showed great concern and was a tower of strength. Today we appreciate more than ever the work that was done 10 years ago, for land and land use is a topic on every agenda today.

That committee brought about serious discussion of regional development. The research material that was accumulated over the years made regional development understandable, when before that they were two remote words without special significance. From that came ARDA (Agricultural and Rural Development Agency), FRED (Fund for Regional Economic Development), and ADA (Area Development Agency). Now these same studies are being used in attempting to solve the problems of urban development. I remember the former Senator Pearson saying something to me that I had never heard before. He was a man who knew land well and had dealt with it, and he once said to me, "Buy land. They've stopped making it."

In 1960 came the report of the Special Committee of the Senate on Manpower and Employment. We spent two full years on that, and from it came, as the minister has said on occasions, the Department of Manpower. We were well staffed. Dr. Deutsch, the Principal of Queen's, was our director; Sylvia Ostry was one of our research people. We built a great team. We did a great deal of research. I must say we did not have too many solutions. Some of the problems of employment and manpower are still unsolved. However, we did open doors of understanding and let some light onto the problem. One of the benefits I got out of it were speeches on curling from Senator Haig's father.

After that came the Special Committee of the Senate on Aging, from 1963 to 1967. That was a great plus for the Senate. The report was imaginative; it was a blessing for the aged. It is interesting to see what we said in 1966. Nobody else ever reads these reports, and now and then I feel better if I look at them. I should like to quote from that report, although I notice here some people who were on the committee and who know what was in it. Recommendation (1) was:

> The committee endorses in principle the institution of an income guarantee program for all persons aged 65 and over—

It was then 70 years. Then it goes on:

• (2050)

> The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earnings, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.

And further:

> . . . that the program be administered and financed by the federal government,
>
> . . . that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following,
>
> . . . that income, capital and deductions be defined and treated as for income tax purposes so far as possible, except that all public transfer payments other than temporary needs-tested supplements would be included.

A body that can put that on the record ought to feel that it is serving the Canadian people well.

Hon. Mr. Flynn: Even if it voted against the principle some years later.

Hon. Mr. Croll: I did not hear you. That was the bones of the recommendation. We broke new ground. But Allan MacEachen, who knew poverty from his infancy as none of us here knew it, put meat on the bones and he brought in the recommendations which produced the supplement. Today, a man and wife aged 65 and over receive $3,895 if there is no other income. This is very acceptable in the rural areas, in the small towns, in the cities. What is more, it has stopped the movement of older people to the cities, and many of the older people, by returning to their homes in small towns, can get along pretty well.

The amount of $3,895 is truly a good beginning. It is not as high as the Senate poverty line. Our poverty line in 1969 for two people was $3,570, in 1971 it was $4,040, and in 1972 it was $4,270—which is about $375 more than what the government pays.

For single persons the government line at the present time is $2,040; ours was $2,580. That was one of our contributions, a really valuable one. From that, if they continue keeping the poverty line up to date, much good will come.

We achieved something else here—truth in lending. It took us a couple of years. All we wanted was that borrowers be told the interest rate and how much it represented in dollars and cents. That was real people's law and it emanated from here. It is hard to believe how vigorously it was opposed in the Senate.

We had a very active part in the consumer credit and cost of living examination of another day, and from that came the Department of Consumer Affairs, which is a department unlike any department in Great Britain or the United States. It is a separate department. We did not solve too many problems. We slowed up the cost of living. As soon as we turned our back, it started up again.

We have the Committee on Science Policy, 1967 to 1972; in fact, it is still going strong. It was a forward-looking undertaking, well conducted. It created a new interest. It provided a considerable amount of research and it was hailed by many people who understood it. I did not, and it is not my cup of tea.

The Committee on Mass Media in 1968 to 1972 was a real winner for this Senate and for the country. It brought to the Senate a new audience, the young. Here was an enlightened approach, well presented, introducing Canadians to media as they have never before been introduced. It turned out to be a great facility for students. It is read much and it is discussed at the university level. It was well written, easy to read, and the research on it was extremely good. I think it is one of the Senate's better achievements.

Honourable senators, we now come to the Special Committee on Poverty, 1968-72. The participants are in this house. Some senators may think that I am particularly prejudiced, and I may be. Why not? I tell you frankly that it is a bench mark in Canadian social history. It brought issues out into the open which cannot be ignored, and the report is not being ignored. We lit a fire that will not be extinguished. Our report was needed, it was provided, and it was enthusiastically received.

Last week three reports were brought before the Canadian people. The National Council of Welfare made a report. All of you have read at least some parts of it. They recommended the guaranteed income. The Grocery Products Manufacturers of Canada, appearing before the Committee on Trends of Food Prices, said "We recommend the guaranteed income. We realize it will cost some money, and we will pay it." The Canadian Railway Labour Association did the same thing. Now, that is three reports in one week, but that has been happening right along.

The basic income is a very important part of the Canada of tomorrow. The guaranteed income was a small first step in the right direction for a great social and humanitarian cause. I can tell you, with some pride, on behalf of the committee, that the report is in its third printing and that it will continue to be printed. People are around scrounging copies, because copies have not been printed and distributed quickly enough; and if Information Canada were not a warehouse without a catalogue we would have sold twice as many. It is one of the government reports that is sold, and it is a best seller.

Honourable senators, let me see if I can picturesquely dramatize for a moment what this report does. Some honourable senators are old enough to appreciate what it did. We came into this century under the British poor laws, which continued almost up to the 1930s; they dealt with destitution and starvation. I am not going into that now, but I will do so on a later occasion.

• (2100)

Came the depression and we started the welfare state, which dealt with dependency, food, clothing and shelter on a means test basis. That went on for 30 years. Now we have this report and its acceptance, and what has been produced here is a breath of fresh air and fresh ideas, for it lays the foundation for a just society because it gives people, as of right, what they require and it is no longer a matter of being worthy or unworthy. The only necessity is to meet the disciplines of society. That is what this report does in laying that foundation.

But remember, honourable senators, social problems are not resolved swiftly, even though there is acceptance of their solution in principle—and there was an acceptance of the principle of this report in the Speech from the Throne. Moreover, you should read Mr. Lalonde's speech in the house. I caught a bit of it the other day. It amuses me when I think that I was standing around here talking about the welfare system being in a mess and everybody was saying, "Oh, there is Croll talking again, exaggerating." Well, Mr. Lalonde, the minister himself, said it was a disgrace, and he gave examples of what he considered a disgrace, and said it had to be corrected and corrected quickly.

I am not suggesting that the just society is around the corner, but I do suggest that its foundation is; namely, the fact that the old folks are receiving the kind of money they are receiving, and that there are 300,000 children and 150,000 widows who have to be looked after. There are the crippled and maimed and others who must now immediately receive the same as the old folks receive. They are all out of the labour force.

For your information—and I think I have been very fortunate not to have given you erroneous information at any time—the working poor, who have not officially been covered at all, are also being helped. These are the people who work their heads off morning, noon and night for low wages and salaries when they could do just as well on welfare. But they don't take welfare. There are not just a few of them, either. There are three quarters of a million of them in Canada, and when you start talking about welfare bums keep that in mind. They are being provided for in one way or another; they are being helped out in order to keep them off welfare, and, of course, we all agree that that should be done.

One thing that gave me some satisfaction was seeing some of our work being utilized by the Commons, even though they did not give us credit for it. How do you fix a poverty line? Well, poverty lines are not easy to fix. Take my word for it.

Hon. Mr. Choquette: Just before you go on, may I point out that you did not tell us how you were amused by Mr. Lalonde's assertions or statements.

Hon. Mr. Croll: Amused?

Hon. Mr. Choquette: Yes, you said you were amused.

Hon. Mr. Croll: No, I agreed with him.

Hon. Mr. Choquette: You agreed? I see. I was amused, but you agreed. I thought you said you were amused.

Hon. Mr. Croll: In talking about a poverty line, and the fact that it is not easy to arrive at one, may I say that there have been all sorts of studies made in that direction. It is very hard to reach one that is acceptable. You can arrive at a poverty line on the basis of budget. You can arrive at one on the basis of a great number of things, including budgeting, but how do you get one that stands up to the test of time? Well, we came up with an idea which we discussed a dozen times in committee. We found one statistic in Ottawa, a statistic that is always available in the department, namely, the statistic of the average wage across Canada. So we took the average wage and cut it in half. After all, who would refuse to see the poor man getting at least half of what he should get? We then added to that the increase in the consumer price index—inflation—and then we added to that the increase in the gross national product. Thus we came up with a figure, and that was in November, 1971.

This time, Senator Choquette, I was amused.

Hon. Mr. Choquette: Oh, yes?

Hon. Mr. Croll: I was amused because of what I read in *Hansard.* As well as following the proceedings of the Veterans Affairs Committee in the other place I was reading the debate on the old age pension in the house. In both *Hansard* of the House of Commons and the report of the Veterans Affairs Committee, I came across the assertion that they had changed the principle of the pensions, which is the same as the poverty line, for future adjustments. They said that they were going to take the average gross of five unskilled labourers, take away the income tax, and then adjust it accordingly.

Well, the amusing part is that that is exactly what we did 18 months ago. Eighteen months ago! And it has stood up! I do not want to claim any royalties from them, but at least we should have been given credit as the authors. That was the least they could have done, instead of claiming it as their own. And they will continue to claim it unless somebody stands up and tells them that it is not theirs.

In addition, let me point out that there have been joint committees of both houses dealing with Indian affairs in 1960, Indian claims in 1965, divorce in 1966, the Canada Pension Plan in 1965, penitentiaries in 1967, hate literature in 1967, immigration in 1966, the Public Service in 1966, national and royal anthems in 1968, the National Capital Commission in 1968, and the Constitution of Canada in 1971-72.

We had always been partners in these joint committees, but when we came to the trends in food prices the House of Commons refused to join with the Senate, which was their right, saying that it would upset the balance, in that it would not reflect the membership of the house but would give the government a majority.

Quite right. I may say that a majority is useful if you are considering a bill, but a majority in a committee cannot get you anything when you are seeking a solution to a problem—unless you come up with the answer. In committee a majority is not much good, because the genius of a committee is unanimity. No matter what they agree on, if they agree, you can rest assured it will make some sense, and then at least there will be something for the government to get its teeth into instead of having to put it aside.

Hon. Mr. Flynn: But the agreement comes from a majority.

Hon. Mr. Croll: No, not in a committee. There are minorities, as you will see. You will see minority reports in the committee, without question. Don't you think so? I do.

I have indicated to you our accomplishments and I think they have been considerable.

Hon. Mr. Flynn: You have forgotten fiscal reform.

Hon. Mr. Croll: I am not an expert on that.

Hon. Mr. Flynn: Well, at least it should be mentioned, because if the Senate ever accomplished a difficult task, that was one.

Hon. Mr. Croll: Yes, you are quite right. I am sure you will enlarge on it.

Despite the fact that we had co-operated, and had done our own homework and performed our own task, nevertheless, when the House of Commons turned down the opportunity to have the Senate join with it, not a sound was heard in the country. Thunders of silence descended upon the Senate. There was not a word in the press about it. There was not a word from any knowledgeable commentator, nor was there any editorial comment. There was absolutely nothing; nobody gave a damn.

• (2110)

We deserved better. To be criticized is normal and to be expected, to be praised is abnormal and unexpected, but to be ignored is frustrating and disappointing.

We have to do something about that, honourable senators, because there is a meaning to be found there. If we do not realize that we have a problem now, then when we do realize it it will be too late.

Immediately afterwards a bill was introduced in the House of Commons to abolish the Senate. It is a perennial there, and really does not make much difference. I have read the debate on that bill and I must say that the arguments were not new. It was obvious that the proposer of the bill knew what we were doing in the Senate. I know that he knew. He spoke with tongue in cheek, but since it was there he had to speak to it. But the report in the press was a discouraging one. The Canadian Press, as quoted in the Ottawa *Journal* of January 27, indicated that while the motion was talked out "it received moderately favourable attention by some Liberals and Conservatives."

But there were some who spoke up on our behalf in the House of Commons. They spoke in favour of reform, and tried to be helpful to us. I should like at this stage to read to you some of the words that were spoken simply to see

how much comfort you can get out of them. I quote from the *House of Commons Debates* of January 26, 1973.

> Rightly or wrongly, Mr. Speaker, the Senate of Canada seems to have the worst reputation of any legislative body in the world.
>
> In 1942, Senator Grattan O'Leary, then a reporter, wrote and I quote:
>
> > A Senate appointment is not employment and the Senate is not a place where they are supposed to work.
>
> And he was appointed senator in 1962!
>
> When Jean-Luc Pepin was an hon. member as well as a cabinet minister, he called the Senate a political house of refuge, a house for the dead, the most exclusive pensioner's club in the world and a tourist attraction. In short, he saw it as being the only flaw in the British North America Act of 1867.

That from friends!

Hon. Mr. Choquette: He was defeated and he would be glad to be appointed here.

Hon. Mr. Phillips: You have forgotten what Joe Greene said. He called us a nice bunch of old men.

Hon. Mr. Croll: What I am trying to say now is that it is time we took stock of ourselves and assessed our work. Are we doing enough? What else should we be doing? What do we have to do that would better involve our members and reach out to the people? What is more important, honourable senators, we have to do things in our own way to get the government off our necks. We have a credibility gap to close in the Senate.

I have 12 recommendations, some of which may appeal to you and some of which may not. But I remind you that 106 years have gone by, and times are changing. We need new, young, fresh people and for so long as we remain under the influence of the aura of power of the Cabinet and the government, we are not as independent as we should be. Let me say that the first two recommendations are not very original. I commend to honourable senators the following 12-point plan for Senate reform in the seventies.

> 1. The present absolute veto power of the Senate over all legislation should be reduced to a suspensive veto for six months according to the following formula:
>
> A bill may become law without the consent of the Senate,
>
> (1) if the House of Commons, having once passed it passes it again no less than six months after it was rejected or formally amended by the Senate, or
>
> (2) if, within six months of third reading of a bill by the House of Commons, the Senate has not completed consideration of it, and the House of Commons again passes it at any time after the expiration of the six months. (Any period when Parliament is prorogued or dissolved shall not be counted in computing the six months.)

This, of course, is a recommendation made by the Committee on the Constitution, and I agree with it entirely. I very strongly support the idea that the veto must go, and the suspensive veto is all that should be left. To me it is inconceivable that an appointed legislative body should have an absolute veto over decisions made by an elected legislative body. It is undemocratic, unjust and morally wrong. Whether we use the power or not does not matter at all. In my view the absolute veto lets the eyes of the people look upon us as an anachronism. I am sure if I were to call the United Nations and ask the question they would tell me that the Hottentots did away with the absolute veto many years ago. The effect of this will be what you probably already know, that the House of Commons, by a majority vote, will be able to reform or abolish the Senate subject to the suspensive veto, and no matter what we do the veto must go. But when it goes it is a new ball game and we had better be on the ball.

• (2120)

Point 2 deals with the distribution of senators. Here again I accepted what the Constitution Committee said because I thought that was the right thing to do and I could not think of anything better.

> 2. The distribution of senators should be as follows:
>
> Newfoundland 6
> Prince Edward Island 4
> Nova Scotia 10
> New Brunswick 10
> Quebec 24
> Ontario 24
> Manitoba 12
> Saskatchewan 12
> Alberta 12
> British Columbia 12
> Yukon Territory 2, and
> Northwest Territories 2

—A total of 130. This is a matter of choice. The rest of the country is quite right when it says there is far too much domination by Ontario and Quebec, far too much preponderance. There is a great future in the West with their natural resources which are available in immediate and long term. The need is to have much more representation than they have now so that their power is felt in the seats of government. You cannot reduce the numbers from the Maritimes. That is impossible and should not be done. If we reduce Ontario and Quebec in order to give more to the West, we will be in a politically impossible position. The House of Commons went through this exercise some time ago when they were faced with the same problems. They decided that the best thing to do was to increase the number. That would be far more acceptable. Of course, they may increase the regions and instead of having four regions they may have five. I see no difference, but I would rather see the number increased in order to give these other provinces a greater voice in Parliament. However, I am not set on it one way or the other. It is before us for discussion. I am like the doctor whose patient said to him, "When can I go back to my office? When am I going to get rid of this cold?" The doctor said, "It will be a week." The patient was not satisfied and went to another doctor and asked, "When can I go back to the office?" And the doctor said, "Oh, about seven days from now."

The third point has to be read along with the fourth.

> 3. The supporters of any one political party should not comprise more than two-thirds of the membership of

the Senate at any one time and the Canadian Constitution should be amended as soon as possible to ensure this result.

I will speak about that in a few minutes.

4. The compulsory retirement age of senators, present and future, should be seventy years. Upon retirement, a senator should retain the title and precedence of an active senator and also the right to participate in the work of the Senate and its committees but not the right to vote therein. Senators retired retroactively should on retirement retain their salary and fringe benefits until they reach their normal retirement age under existing law.

Let me indicate what this means.

Hon. Mr. Rowe: Did you read both recommendations 3 and 4?

Hon. Mr. Croll: Yes. The Senate as presently constituted has 76 Liberals, 18 Conservatives, and about 3 others—76 in the majority party and 22 in the minority parties. If everyone was retired at 70 it would affect about 30 to 35 members, and the normal annual rate of erosion here is five. It would affect about 35 members, seven of whom would be from the minority party. So if we dealt on the present basis of 102 members, the minority party would be entitled to about 19 or 20 new members. If we dealt on the basis of the recommendation in the report of the Constitution Committee they would be entitled to about 28 members. I think it should be admitted that the present Opposition is a numerical disaster. They are not able to man the house and they are not able to man the committees. The Senate is too heavily weighted on one side, and this is not good for the Senate. It is not good for democracy. The house needs a balance. Good opposition makes for good government. It would be a new house. It would no longer be the preserve of a single party, for with the Opposition numerically weak there is very little cut and thrust in this place. It is mostly pussycat purrs with hardly any scratches.

Senator O'Leary was right the other day when he said that Senators Flynn, O'Leary and Grosart are the members who carry the burden. They receive a little help from some of the others, but in the main there is truth to that statement.

In so far as tenure is concerned, I said that I had life tenure. But I think that in the interest of the Senate, and we are interested in the Senate, those of us who have life tenure have had a pretty good run at it. We have been here for some years now. We should be prepared to assist the Senate and to make it more acceptable to the public, and to accept our limitations at 75, or whatever it may be, keeping the retirement age of 70 in mind. It will mean some sacrifice for a small minority. But certainly there will be no hardships.

5. The speaker, the government leader and the opposition leader should be elected by the members of this house: the government leader by the supporters of the government; the opposition leader by non-supporters of the government.

It is time to stand on our own feet. The time has come to choose our own leaders. We urgently need a change of image, and we are entitled to a life of our own within constitutional limitations. What needs to be done to the Senate is not an acupuncture, but major political surgery. If there was a referendum in this country tomorrow on the question: "Are you in favour of abolishing the Senate?" my view is that we would lose. If we had a referendum in this country tomorrow on the question: "Are you in favour of an elected Senate?" the voters would be in favour of an elected Senate. The Canadian public would be wrong on both counts. First, if they abolished the Senate they would have to put something in its place. If they elected a Senate they would bring on conflict and confrontation between two elected houses.

• (2130)

6. The government leader and the opposition leader in the Senate should serve for only one Parliament and should not be eligible for re-election subsequently.

7. The age of the government leader and the opposition leader in the Senate, and the Speaker, should not be more than 65 years at the time of election to that position, so that at the end of the Parliament for which he or she is elected, he or she will still be under 70 years of age.

8. The government leader in the Senate should not be a member of the Cabinet.

The leader has to be our man. He is not, and it is time that we cut the umbilical cord with the House of Commons. We do not want a divorce, we do not want a separation; we just want a life of our own and to respond to our duties and responsibilities in our own way. We know where we came from. We know who appointed us, and those who come here and say, "When you come to the Senate you are no longer interested in politics," talk a lot of nonsense. Politics is the name of the game here, but it does not have to be blind, partisan politics. The leader has a constant conflict between being a member of the Cabinet and being leader in the Senate. One who has been there 22 years pretty well takes on the mentality of a cabinet minister who thinks he can do no wrong and his party can do no wrong. All who correct him are mistaken, and the people are all wrong. It is not possible in this day and age to wear two hats. Whoever leads us must have the Senate as his top priority.

The Senate must have a different concept. It needs younger people. Retreads like myself and others have a purpose, but it is time old faces should fade, or at least should not be up front. The public wants new faces, new people, and new thinking. On our own we will not be anti-government. We are not anti-establishment. The Senate interest is the public interest, and we know what needs to be done. You must keep in mind that when the Senate was established democracy had not sufficiently matured, so the Senate was established for elder statesmen to give measures what is termed a sober second thought, but things have changed. Take the House of Commons with the rules today—second reading, committee report stage and third reading. The same things happen here. I think it can be useful to have a second sober thought, but only in special cases. I do not think normally it makes that much difference.

9. The government should appoint a senator as a minister without portfolio for the purpose of liaison with the government.

10. Minority groups have long been under-represented in the Senate. This should be corrected so that the multicultural character of the Canadian people will be reflected in the Senate.

11. The chairmen of standing committees should hold office for one Parliament only and should not be eligible for re-election. He or she must be no more than 65 years at the time of election to that position. No member should be chairman of more than one committee of the Senate whether it be standing or special.

12. There should be constituted a Senate standing committee on miscellaneous Canadian affairs, with subcommittees staffed to study matters of national importance such as:

(a) Provincial and Regional Affairs

(b) Municipal and Urban Affairs

(c) National Energy

(d) Foreign Ownership

(e) Multiculturalism

(f) Youth and their Special Problems

(g) Aging and its Special Problems

(h) Ombudsman

(i) Official Languages

(j) Human Rights and Fundamental Freedoms

(k) Pollution

(l) Education

(m) Poverty—Social Services

As to implementation, the plan should be designed to come into effect at the next ensuing Parliament.

The purpose of the last point is, of course, to have a new spirit of inquiry into the broad public interest, small committees sitting from Monday to Thursday, both inclusive, and acting as a catalyst for people's problems. I gave a list of subject matters. Ask yourself the question some time on the subject matters, if you had to pick 10 people in all Canada—I have gone over it—in two-thirds of those subject matters you would have to include a senator. I did not provide for Senator O'Leary's oratory either.

Now, with that kind of talent around here, with that kind of ability, why cannot we make more progress? What is holding us back? Are we using the members of this house to the full, and giving them the facilities they require? We fail to give them opportunities to use their faculties. We are full of talent and specialists that have not been used. Administratively we have been failures. We will need some re-organization. We must remember we were fresh when others were tired; we are now the tired ones.

Hon. Mr. Beaubien: We sure are.

Hon. Mr. Croll: You have the 12-point plan. It is my hope that the initiation of this inquiry will be followed by a lively and informed debate. I am sure we shall all follow the course of that debate carefully in an effort to judge whether there is a fair prospect of achieving a consensus in the Senate with respect to the whole, or any substantial part, of the package. If it appears that such a prospect exists, no doubt the Senate will consider further steps which should be taken to examine the plan which, of course, requires much further study, refinement and elucidation. I would hope that in due course such a consensus might be reflected in a form which could be presented for implementation by the Parliament of Canada, in its legislative aspects as well as in its administrative aspects.

History has shown that Senate reform is much more likely to be achieved through the initiative of the Senate itself than through an outside agency. I spoke earlier about that. It seems to me that there are only two options open—Senate reform or Senate abolition. It is a clear case of reform or perish. The Senate must be more credible, viable and useful.

• (2140)

For whatever reason—and some of the criticism is justified—in the mind of the public the Senate's image, despite efforts in recent years to improve it, has not been a satisfactory one. The Senate itself must take steps of the nature and magnitude proposed in the foregoing package which I have presented to the Senate.

The Canadian people are looking for, and will accept, meaningful Senate reform as an alternative to abolition. The key phrase nevertheless is, and remains, reform or perish.

Honourable senators, I believe that these recommendations are in tune with the times, the wishes, and the best interests of our people, and also in the best interests of our parliamentary institutions.

On motion of Senator Molgat, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 14, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Superintendent of Insurance for Canada on Loan and Trust Companies for the year ended December 31, 1971, pursuant to section 8 of the Department of Insurance Act, chapter I-17, R.S.C., 1970.

THE SENATE

NEED FOR REFORM—QUESTION OF PRIVILEGE

Hon. M. Grattan O'Leary: Honourable senators, before the Orders of the Day are proceeded with, I should like to rise—very meekly, I may say—on a question of privilege. It concerns the speech made in this house last evening by my good friend Senator Croll. Senator Croll was deploring—rightly, I think—the numerical weakness on this side of the house. He went on to say this—I am quoting from page 323 of Senate *Hansard* of yesterday:

> Senator O'Leary was right the other day when he said that Senators Flynn, O'Leary and Grosart are the members who carry the burden.

I must point out that I did not say that the other day, nor the day before that, nor on any other day, and I would be violating truth if I did say it, especially if I linked Senator O'Leary with Senator Grosart and Senator Flynn.

Hon. Mr. Croll: I said that from memory only, Senator O'Leary, but I was pretty sure that you had said it. I will look it up just the same, but I certainly accept your statement.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Thursday, February 22, the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Arthur Laing: Honourable senators, I want first of all to associate myself with the feeling of gratitude towards Senator Cameron for having raised this matter. I appreciate very much the opportunity of participating in the discussion to the extent of outlining some of the problems in respect of transport in the northern parts of our provinces, and particularly in the Canadian North.

I feel, however, that merely condemning to a piece of paper a number of speeches that those others who are with me are going to make is not sufficient to a proper discussion of this problem at all. If we are going to do anything sensible and productive with it, I think that it is a matter that should be referred to one of the committees of this place so that something can be put together that is valuable to the country.

It would be hard to stress the magnitude of what we are talking about to the economy of Canada and its people. I have some figures that indicate that the total cost of transporting an article—of moving a required article from one part of Canada to another part of Canada where it is wanted, or taking it from one part of Canada and delivering it to salt water where it can be shipped abroad, or transporting it down to the boundaries of Canada for further shipment by rail—constitutes almost 26 per cent of the total value of the commodity itself. I am not going to swear to the accuracy of the figures, but we did include the cost of packaging of the article, because if it is an article which is valuable in its form here, and then has to be packaged in order to transport it to some other place, then I think it is valid for us to add the cost of packaging as well. Therefore, the computation we made at 26 per cent of the value of the gross national product in respect of those things moved across the country either for export or simply for delivery to another part of Canada comes to a very, very considerable amount of money.

• (1410)

I have been thinking recently of a consideration which I have even put before a committee of the other place on one occasion. What would happen in Canada to our economy and to our people if we adopted a principle of absorbed freight costs throughout Canada on all articles produced in Canada? As late as this afternoon I have been talking to my colleague, Senator McIlraith, who has had long experience as Minister of Transport and previous to that in working for other Ministers of Transport. He thinks it might be of value to the Canadian economy if we applied the principle to manufactured goods, but that beyond that it might have no validity at all.

It has come to my attention that the extremely competent manufacturers of motor cars in Japan have a common price in Canada whether their cars are delivered at the ports of Vancouver, New Westminster, Halifax, or St. John, New Brunswick. The price of a Japanese car is the same in every part of Canada, and this in turn leads to great simplification of their selling organization right across the country from one side to the other. It seems to me that such a system has a great deal of merit.

In Canada we are dealing with various kinds of transportation, which is in itself an immense subject, moving goods or people by water, by rail, by air and, shortly I think, to a large extent by pipeline. When I was in busi-

ness, as was the case for 27 years, and had to deal with transportation costs, we had at that time an accepted dogma. I do not know whether it still stands up or whether it even had any validity at that time, but we were told that to arrive at a per-ton-mile basis one should use the figure 1 to ship by water, 3 to ship by rail and 9 to ship by truck. It was the old 1-3-9 ratio. Today people are asking what it costs to transport by air, and as nearly as I can make out the figure would be 27. As I have said, I am speaking now of cost per-ton-mile. This gives us a ratio of 1-3-9-27, which in my view still has validity.

A great deal of new technology is being developed in the area of transportation, and one of the most important is the use to a very great extent of pipelines for the transportation of liquids and quite probably for solids as well. At the present time the Saskatchewan Research Council, on a grant from the Canadian Transport Commission of $500,000, is undertaking the work of putting solids through pipelines that are of a large diameter. There are pipelines operating in the world today carrying solids. But I note, and I do not know any reason for this, that the largest diameter is 15 inches. It is one operating in France carrying coal. There seems to be some intricacies involved in developing pipelines of large diameter to transport solids. Of course, if you are putting some solids through a pipeline you have to put liquid in to carry the solids through, otherwise the commodity, be it ore, concentrate, or coal, would soon wear out the pipe. There is a great deal of hope that development will take place in this particular field.

There is one so-called slurry pipeline operating in Arizona. It is 273 miles long and only 18 inches in diameter. Last year it had a through-put of 4.8 million tons of coal.

Honourable senators, when you get down to liquids it would appear that pipelines are the only reasonable method of transport. The Trans-Mountain Pipeline, which originates in the environs of Edmonton and runs through the Rocky Mountains to Vancouver, British Columbia, is 742 miles long, and last year it carried 22 million tons of oil. I have difficulty reading their annual report. I think some of these companies write their annual report so that they will be difficult to understand. But as near as I can make out, the strictly operational cost—without making provision for investment or retirement of debt or anything like that—was something less than 70 cents a ton for 742 miles. So, as far as liquids are concerned, the way to transport them today is by pipelines.

I think we should pay some attention to the principle which has been accepted in Canada that it is imperative that the public be served by railways or transportation companies that are competitive. I think acceptance today is very wide for a trans-continental railway owned by the people of Canada competing openly with privately owned railways. As against that, I have some question as to whether this competition is real.

There are potash mines in Saskatchewan, and I think in every case these mines are served by both national railways. I remember when a bill was put through the other place to provide the Canadian National Railways with access to one of these potash mines, and a spur line was built at a cost of $18 million. I would suggest that if the number of trains per day, per week, or per month are not sufficiently great, the railways should be instructed to divide the freight revenue between them rather than duplicate the construction of spur lines to these particular areas.

We have other examples, principally in respect of provinces which were of the opinion that their northern areas would not be properly developed by trans-continental railways, either the CPR or the CNR, and that if they were going to throw their borders back and develop the northern territories they had to build their own railways.

• (1420)

This happened first in Ontario. The Ontario Northland Railway, which runs north to James Bay, has been of tremendous value to Ontario. In addition to throwing back the frontier, it opened up that great mining area of northern Ontario which the trans-continental railways were not serving, and out of which has been brought hundreds of millions of dollars worth of minerals. This has contributed to the economy of Canada and our balance of payments. In British Columbia the B.C. Railway, which was the old Pacific Great Eastern Railway, is 842 miles long, with present projections of another 1,000 miles. This is the only railway which gives a spine to our province. It has led to the development of pulp mills, mines, and so on. The provinces view these railways as development and pioneer railways. I am quite certain that the old P. G. E. under Premier Bennett, who was with us for 20 years, actually suffered an annual loss of $8 million to $10 million. But when two or three pulp mills can be established and new mines opened up, putting thousands more people to work in new areas, probably the concept of pioneer railroading is very good indeed. In actual returns to the government, probably the development that took place more than offset any loss by the railway. There are other railways, which I shall deal with later, that make a great contribution to the northern parts of this country.

I should like to say a word about the geography of Canada; it is exceedingly difficult. We are a country that is 2,875 miles deep. From our northernmost point to our southernmost point it is 2,875 miles, and from east to west it is 3,223 miles. But, honourable senators, it is proven that today 84 per cent of all our people live within 200 miles of the United States boundary, and I should think that of our gross national product even a higher percentage than that is produced within that 200-mile limit. To all intents and purposes, apart from the very real development that is taking place today in the northern parts of the provinces and in the Arctic areas, we are a country 3,200 miles wide and 200 miles deep. This makes transport exceedingly difficult and has created many problems for Canada.

The climate of our country must also be considered. It costs far more to employ and maintain people in the high Arctic than it does to employ and maintain people living along our border with the United States. There are 500 or 600 men working for Panarctic Oils today, and I am told that it costs $24.50 a day to feed one man and another $14.50 to house him. These are expensive areas in which to operate. Food has to be flown in. For example, a sack of potatoes laid down in Inuvik costs $27 a hundred pounds, and from there the potatoes have to be delivered to various points of operation. The climate makes it very difficult country in which to operate.

I remember only three years ago a corporation lawyer from Toronto coming to see me. He had a vision of the North. More than one man has had a vision of Canada's northland. He had a lovely map, and just under James Bay he had it green all across Canada. But he was critical of the railways for not building a railway farther North, and said, "We must build a railway in this mid-continent area of Canada." I asked, "Have you ever been in the North?" Well, he did not know whether he would answer that one or not. I inquired, "Have you ever been in the Arctic?" and he replied, "No." I then asked how far North he had been, to which he answered, "I have been to North Bay."

Well, I had to tell him that if I were to take him in August to the particular area where he was going to build his railway, I would have to take him in by helicopter and drop him off on one of those humps amidst the muskeg, and I would have to come back and pick him up with the helicopter or he would be there forever.

In that area there is too much water on top of the land in summer, and too much ice on top of the water in winter. It is a very difficult area in which to operate. As one goes farther North one gets into Arctic desert country where the total precipitation, from snow alone, is as little as four inches per year.

In working with machinery and men one is faced with difficulties every day which are totally unknown in the southern part of Canada. Our North, we should at once realize, has to be served by facilities that run north and south. The great task of the CPR in putting the railway across mountains, partly in Alberta but principally in British Columbia, is one of the great success stories of Canadian history, because that is not normally the way, or the place, in which railways are constructed. One does not usually construct a railway to go uphill or downhill. One follows water levels, and Canadian rivers run north and south. If one wants to build a railway economically, one sticks to the water level. Therefore the policy of the provinces in developing their own railways, as has been done in Ontario, British Columbia and Alberta, has been a very wise one. They have put spines through their provinces, pushing their economies north, and serving themselves to the best advantage having regard for the climate and geography.

I was told—it has not yet been refuted, and I have put it to a number of railwaymen—that one tries to avoid grades on a railway, because it costs twice as much to pull a train up a one per cent grade than it does to operate it on a level. If this be so, grades are important in the operation of our railways, and we should stick closely as possible to operational levels.

What we have to move in the North at the present time are people, supplies for those who work there and for the communities, whose population is increasing very rapidly, and, finally, the resources.

One of the difficulties is extremely cold weather. At one of the mines in the Yukon there is today a standing order which says that when the temperature goes down to 65 degrees below zero, the whole thing is called off for the day—not because the men are afraid of freezing, but because they are afraid of having the machinery fly into pieces under them due to metal fatigue.

These are some of the problems that have to be faced in supplying that particular market. It is a market that is growing rapidly, because today we are extending into the far reaches of the Canadian North, as well as the Arctic. We are not justified in building a huge and costly facility for transportation until we are reasonably sure that it can carry itself. I am in favour of pioneer railroads, but always with a pretty good understanding that there will be justification in the end for the immense expenditure.

• (1430)

There are a great number of suggestions being made today by various people who are writing observations on Canada. These people, I feel, are paying very little attention to the economics behind their writings. In the far North today we are exploring. We have not yet established the presence there of the kind of assets which would justify the expenditures being advocated by these people.

We have the B.C. Railway; we have the Pine Point Railway. I am going to take the opportunity now, as I have taken it before, of congratulating Mr. Diefenbaker on making the decision, first of all, to build that railway up to Hay River and across to Pine Point and, secondly, to build it on the west side of Alberta rather than on the east side. As Senator Manning will recall there was a great deal of pressure to put it on the east side of Alberta. I think that is one of the better paying lines of the railways of Canada. It serves not only the mining industry in that particular location, but a rapidly increasing amount of freight that goes down the Mackenzie to the Arctic.

The Schefferville Railway is one of the most efficient railways in Canada today. This railway runs from Schefferville to Seven Islands and was built by a company for a specialized job. It uses ultra-modern equipment, and is a good operation all the way through. These are railways and services that are genuinely serving the extended areas of Canada.

I should also say a word about the White Pass and Yukon Railway. This narrow gauge is a great attraction for tourists. They like to go up there, and thousands of them make that trip. They get on at Skagway and go up to a place called Bennett where they are fed, and then brought back—and they are as happy as all get out. This was a small railway originally built with British capital. It went through the depression, saw the population of the Yukon retreat and decrease until there was almost nothing left. Any businessman with any acumen or understanding at all would have shut the thing down. However, they were too proud. They kept it going, and today they are carrying a million tons a year, and before 1980 they will be carrying two million tons a year. They will sooner or later have to get into a standard gauge railway because there are great assets up there.

I feel great credit is due to people who stick a thing out when times are bad, having in mind that some day the economy is going to come back, as the Yukon economy has. In the meantime Canadians have invested in the American port of Skagway about $10 or $12 million in an ultra-modern trans-shipment facility for the concentrates produced in the Yukon.

I come now to air transport. The Territories are 1,500,000 square miles in area, 42 per cent of the land mass of Canada, and are occupied by 57,000 people. My view of

the North is that it is rich in resource value. I am speaking now of the area north of 60, the Yukon Territory and the Northwest Territories. As far as money coming into Canada out of resources is concerned, most of us here will live to see the day when over 50 per cent of all of that money will come out of the area north of 60. This is a fantastically rich area, in spite of all of its difficulties.

We are now getting into new and exotic concepts of transport. There is the hovercraft. It is a magnificent machine. It was developed in Britain. It has no aerodynamics; it is straight push or straight pull. It has been operating across the Channel, although not entirely successfully, carrying 30 cars and 200 people, at speeds of up to 50 and 60 miles an hour. We have had them in the Canadian North, where they have been not exactly satisfactory because of the high operating cost. They have a skirt about them which contains the air that is pressed down on the water surface and raises the machine. If the skirt were immobile and the machine did not move it would be easy to maintain the pressure, but you cannot move the thing sideways and keep the air in it at the same time. The development of that machine is not yet complete, but it will be of value in the Canadian North when it is perfected. However, it is not suitable for that use today because of its high cost.

Let us consider the helicopter. Again no aerodynamics; straight pull. It is a costly machine, but for low-level flying, for access to particular places, for picking up power lines and putting them on the tops of mountains, it is unsurpassed. It is a marvellous machine. For transporting people, and so on, and in emergencies, it is extremely valuable.

There are many suggestions being made today, many studies, many people advising us what to do. We have a surfeit of environmentalists warning us as to what we cannot do. I have become a little angered by certain environmentalists, who I do not think are practical people. Only last week I had to tell one, "If you and the likes of you had been around when God made the world none of us would be here yet. You would still be studying whether or not a world was practical." They are just full of studies.

One man has come up with the idea that we should carry gas out of the Arctic by airplane. Gas can be liquified by putting it in what they call cryogenic on supercooled tanks, and so move it. One can reduce 635 cubic feet of gas to one cubic foot to make a package that presumably you are able to carry around. Today we are exporting about one billion cubic feet of gas per day, and we are selling it at the international boundary at, I think, an average of about 31 cents per 1,000 cubic feet. To make that little package out of 635 cubic feet of gas costs 50 cents to start with, and how you put a machine on an airplane to maintain the appropriate temperature until you get it anywhere I do not know.

I am an immense admirer of the airplane. It has made our Canadian North possible. Right from the beginning, mankind's whole concept, thought, and effort in transportation was to do something to minimize friction. That is why he made the wheel, instead of dragging a stick across the ground with a load on it. Finally he got around to saying "We will get off the ground entirely, and go through the air." The airplane is a wonderful machine. It was devised first to carry people, the most expensive kind of freight that can be carried.

I spoke to one of the men who these days are proposing a railway to the Arctic. They are products of Queen's University, who sit down to produce ideas like building a railway to the Arctic to bring the oil down from Prudhoe Bay so that we will not have to have tankers along the British Columbia coast. I asked one of these men if he knew what a ton of oil was worth, and he said no. I said: "Would it be $100 or $200 a ton?" The answer was: "I do not know." I had to point out to him that at the wellhead today, worldwide, oil is worth less than $12 a ton. I am going to tell you now, as I told him, that you cannot put any freight in an airplane and get it off the ground, whether you are going only two miles or a thousand miles, for less than $70 a ton.

• (1440)

We have to get down to some practical thinking on this, or we are going to be confusing our public over a matter that is of the first essential. What we want is the most effective, the most economical means of moving freight, people and supplies from one part of the country to the other. When you get into these Jules Verne proposals that we hear around the country, it is time for someone to say, "Let's blow a whistle on it, and sit down and talk some sense." It is extremely important that we do not commit ourselves to vast expenditures.

The cost of this railway, they say, is only $2.4 billion; that is all and I think their figures are wrong. They have estimated that they can carry the oil on this railway for 0.44 cents a ton mile. I have got the annual report of the Canadian National Railway here. It is a considerable railway, because its freight receipts last year exceeded $1,100 million, and 90 per cent of that was carried in carloads; and 90 per cent of that freight was carried within 200 miles of the United States boundary, where you do not ever get 70 or 80 degrees below zero weather. Their revenue per ton mile last year—and the CNR did not make money—averaged 1.48, or 1½ cents a ton mile.

Honourable senators, they cannot convince me that they can operate at 0.44 cents from the Arctic coast, when the Canadian National has to get 1.48 cents in Southern Canada. I am not convinced that these are valid figures. It is difficult to operate. They propose to move 397,000 tons of oil a day in cars. To start with, you do not put a liquid in a car; if you want to carry it economically, you put it in a pipeline.

All this, of course, hinges on whether TAPS, the pipeline across Alaska, is going to be built. The President of the United States has indicated that he wants it built down to the Port of Valdez, from where they would bring the oil by tanker.

We shall have pipelines in Canada for the transfer of Canadian oil and Canadian gas. Canadian firms today, in the production of the pipe itself and in the technology required to put it in permafrost, are well advanced. The oil goes in the pipe at a temperature of 160 degrees; it is hot. You cannot put that kind of a pipeline on top of permafrost, because it would melt it and you would have trouble; the pipe would break. Canadian companies in the last four or five years have spent something like $34

million in devising the kind of berm in which they have got to put that kind of pipeline. With gas it is relatively easy, it could be put on top, because there is no danger of any kind of damage from breakage of a gas pipeline.

Honourable senators, I was interested last evening in the very competent speech of Senator Croll, who indicated what this institution of ours could do in respect to a variety of subjects, and the competence that is resident in this particular part of Parliament. I intend to have further discussions with senators, but I should say now that I would like to see convened a small group of senators who have the interest and the time to give to the Canadian North and I am talking about the area north of 60 degrees. There are immense potentials there; there are equally immense problems.

There are thousands of new experts—some of them 24-hour experts. There are branches of the Government of Canada interesting themselves in the North, with very little knowledge. There are self-appointed economists in Canada who say that if there is wealth there, leave it in the ground. One of them is Mr. Kierans. However, that pronunciamento of his hardly squares with his advocacy, in the province of Manitoba now, for the Government of Manitoba to take over the mines within the next ten years. I do not know whether that is with the idea of leaving it in the ground, but I think not.

It is time, in respect of the immense potential coming out of those regions in the future, with its undoubted effect upon the entire economy of Canada, that we have a committee making a study of this, calling before it the people who are making comments on the North. This committee would be extremely beneficial to the people who are increasingly making their living in the Canadian North.

Some 20 or 25 years ago a man went in there, made a bit of a stake, and got out as fast as he could. That is not the pattern any more. Men are going in there now with their families; they are raising their children there, and putting them in schools that are just as good as the schools in Ottawa. Transportation from one place to the other by jet aeroplane, right down to the Arctic coast and on the Arctic islands as well, has revolutionized the whole situation there. It is time that kind of study was made by a small group of senators who can give it some time. I rather hope that Mr. Manning will agree with me in this, that a study of the Arctic would be of considerable value to the provinces, with their northern sections partly developed today.

The whole issue in Canada is transport; the whole problem of Canada is in getting people, ideas and goods from one part of the country to the other. This is our number one problem. In respect of that particular area, we could bring some knowledge out of there that would be good for all the other parts of Canada.

On motion of Senator Macdonald, for Senator Haig, debate adjourned.

• (1450)

INTER-PARLIAMENTARY UNION

SIXTIETH ANNUAL CONFERENCE, ROME, ITALY—DEBATE ADJOURNED

Hon. Alan A. Macnaughton rose pursuant to notice:

> That he will call the attention of the Senate to the Sixtieth Annual Conference of the Inter-Parliamentary Union held at Rome, Italy, 21st to 29th September, 1972, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegates from Canada.

He said: Honourable senators, it is always a great pleasure indeed to listen to Senator Arthur Laing. It has been my privilege in the past to have heard him on many occasions in the other place. There is one description which applies to him, and it is appropriate because it is certainly true. This senator, whom we now have among us and who has brought to this chamber so much knowledge and so much wisdom, can be described as the man who brought the Canadian North to the attention of the Canadian people because he has done so much to open up the Canadian North, and to focus attention upon the great potential for our country in the Canadian North.

I wanted to make that point in partial answer to certain reporters who say that the Senate is comprised of older people who do not do much, and also to point out that we have in our midst a great expert on the Canadian North.

Yesterday I ran into Senator Grosart and had the benefit of a little criticism from him. I showed him my text for this speech and he said, "It is far too long. It is probably boring, too." I imagined he was right on both counts so, following his cue and acting on his suggestion, I changed the speech into a report.

Although the speech was, perhaps, too detailed, I had thought it necessary to answer the questions: Why did you go there? What did you do? What did you come back with? And so I put a lot of detail into my speech, but I would ask permission to table it later, and for the moment I will just give a few highlights of what we did at the conference.

Although this report will not be in the same class at all as the remarks that Senator Laing has just concluded, it is another evidence of the fact that senators do something for and on behalf of, not the Senate but their country, outside of Canada. I maintain, and I have seen this in operation many times, that senators, old as they may be—but, shall I say, full of some experience at least and, I would hope, some wisdom—can act in a proper and very persuasive way on behalf of their country so that their attendance at these international conferences is very useful indeed. We as senators, older people of sober second thought, I hope, can use our past skills and present capacities to advance Canadian policy in many different directions.

Honourable senators, it occurred to me that my first duty would be to tell you why this particular delegation was selected; then to tell you, very briefly, what the Inter-Parliamentary Union is and how it operates; then to try to give you an account of what the different delegates accomplished; and, finally, I thought I would table some

resolutions and request permission to refer them to the Standing Senate Committee on Foreign Affairs.

First, the delegation. In fact, there were almost two delegations. When the first delegation was appointed it consisted largely of members of the House of Commons, but owing to the election being called on October 30, it soon became impractical for members of the other house to participate in this delegation to Rome in June. After all, they had to face the practical problem of being re-elected and they had to explain their parties' positions.

A second slate, therefore, if I can call it that, was selected consisting largely of senators. Senators were thrown into the breach because the country had to be represented at this conference. The chairman of the delegation was Mr. Gordon Aiken, M.P., as he was then. I must say that I regret very much that he is no longer a member of the other house. For health reasons he could not run again. However, at that time Mr. Aiken was the leader of the delegation as well as being a member of the Inter-Parliamentary Council. He made an excellent chairman and, through his guidance and tact and his insistence on attending early morning meetings, the Canadian delegation accomplished what it set out to do.

As far as the Senate's representation is concerned, there were Senator Raymond Eudes, Senator Jacques Flynn, Senator Sarto Fournier, Senator Joe Greene, Senator Fred Rowe, and myself as vice-chairman of the delegation. The other place was represented by Mr. Louis Comeau, M.P., the Honourable D. S. Harkness, M.P., who also, probably for reasons of health, did not run in the last election, and Mr. R. R. Southam, M.P., a long-time member of the other house who also decided not to contest his seat.

I may say in passing, of course, that the wives were a very necessary part of our delegation and were of great assistance on many occasions, and they certainly made time pass more pleasantly.

At this point I should like to mention, because they are mentioned so infrequently, those members of our staff. Miss Jean Macpherson of the Inter-Parliamentary Relations Branch year after year has the job of correlating activities, briefing members, and arranging details. In fact, the Inter-Parliamentary Relations Branch should have a good word said about it, I think. When I had a job to do in the other place it became very quickly evident that with many parliamentary organizations and no particular person in charge, we were running off in all directions. So we decided that we should set up an Inter-Parliamentary Relations Branch. Mr. Imrie was put in charge of that branch, and Miss Jean Macpherson is what you would call the assistant manager.

I call attention to the fact that this branch consists of the Inter-Parliamentary Union, the IPU; the Commonwealth Parliamentary Association, the CPA; the NATO Parliamentarians; the Canada-U.S. Inter-Parliamentary Group; the Canada-France Inter-Parliamentary Group; and l'Association internationale des parlementaires de langue française, AIPLF. There are six groups in all so that throughout the year there are many delegations, many trips, many activities, and many visitors, and this particular branch is a very active branch indeed.

Miss Jean Macpherson was in charge of our delegation and we did not have many problems. She was assisted by Mr. Bruno Lecci of the committees branch of the other house, and by Mr. Alex Small, Second Assistant Clerk in the other place, who at the same time is a member of the Association of Secretaries General of Parliament, which is a branch of the IPU having to do with, shall we say, the staffs of parliaments throughout the world. They discuss problems of how to improve procedure and all the rest of it.

• (1500)

I should mention one other person—Mr. Peter Dobell, of the Parliamentary-Centre for Foreign Affairs and Foreign Trade, who was basically responsible for briefing the different members of the delegation. I should like to record, not only on our own behalf but also on yours, the expert assistance that month after month and year after year we receive from the different departments of government—the Departments of External Affairs, Industry, Trade and Commerce, the Environment, and others which I cannot specifically remember at the moment. They are always there to help us and give us expert guidance when we represent our country abroad.

At this stage I should like to try very quickly to answer the question: What is the Inter-Parliamentary Union? It started back in 1889 as an organization established by the United Kingdom and France which met periodically for the arbitration of disputes between the two countries, though I must confess that this is not an exact description. By 1894 the Inter-Parliamentary Union had statutes and a secretariat. During the two world wars there was a temporary interruption. In 1960, Canada reaffiliated.

I should like also, honourable senators, to bring to your attention its objectives, and I shall quote from the statutes and rules. Article 1 of the statutes lays down that the aim of the Inter-Parliamentary Union is:

> —to promote personal contacts between members of all Parliaments, constituted into National Groups, 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 representative institutions and in the advancement of the work of inter-national peace and co-operation, particularly by supporting the objectives of the United Nations. With this object in view, the Inter-Parliamentary Union will also study and seek solutions for all questions of an international character suitable for settlement by parliamentary action and shall make suggestions for the development of parliamentary institutions, with a view to improving the working of those institutions and increasing their prestige.

Since 1971 the headquarters have been located in Switzerland. What is its structure? The union is the only worldwide organization for parliaments, and is composed of national groups—that is to say, the Canadian Parliament has a national group called the Inter-Parliamentary group—and Canada is affiliated with the international organization.

The organization of the IPU expresses itself through an annual conference held each time in a different country. It has an overall council, consisting of two representatives from each country or national group. It has a standing

study committee, which has five sub-committees. There is an Inter-Parliamentary Bureau, which really is the bureaucracy, and an association of secretaries-general of parliaments which, as I have said, is there to study how to improve parliament and exchange ideas. It also maintains an international library.

At the present time there are 72 member countries; and the budget—and I do not have the latest value of the Swiss franc—is 1,534,000 Swiss francs.

Annual meetings are held, the last one being in Rome in 1972. Previous to that they were held in Paris, The Hague, New Delhi, Lima, and Teheran.

The Inter-Parliamentary Union has formal relations with United Nations agencies and different parliamentary organizations. So much for the Inter-Parliamentary Union and its setup.

The inaugural ceremony of this conference was held in the Italian Chamber of Deputies, which is one of the rooms in the Italian parliament buildings. There were 710 delegates present of which 526 were members of parliament representing 64 countries, half being from the West and the other half being from the East, representing people who hold slightly different ideas. To me this represents the value of these international gatherings, because one can learn a great deal, and there is always a chance to persuade some people.

Speeches were given by the President of the Italian Republic, the President of the Senate, the President of the Chamber of Deputies, and the President of the Council of Ministers who is their prime minister. The events were held in the city of Rome, where the "Senate and people" throughout the centuries have been foremost in promoting the ideas of law and order, and I hope that some of that rubbed off on the members of the Inter-Parliamentary Union.

The agenda had five main subjects for discussion, and responsibility for Canadian participation in these discussions was allocated to different members of the Canadian delegation. There was a general debate on the Middle East and on new forms of political pressure in international affairs. The leader of the delegation, Mr. Gordon Aiken, took this matter under his wing.

Then there was a discussion on the need to intensify efforts to put an end to the arms race, with regard to all types of weapons, in view of its political, economic and social consequences. Senator Flynn handled this matter efficiently and tactfully.

The subject of problems of the human environment was discussed, and Mr. Louis Comeau, M.P. and I were given this responsibility.

The question of education in the developing countries was under the care of the Honourable Douglas Harkness, while the subject of the fight against drug abuse was under the care of Senator Rowe. The question of responsibilities of members of parliament towards the electorate was dealt with by Mr. Southam of the other house.

Senators Eudes, Sarto Fournier, and Greene assisted in the preparation of the above items, and had special responsibilities with regard to attending all plenary and general sessions, the committee meetings, and the social gatherings. It must be kept in mind that it is at the social gatherings of international conferences that a great deal of the salesmanship of this country's policy can be carried out. In the past, these events have proved to be extremely worth while.

At least three other important events took place. The whole delegation—that is, the whole Inter-Parliamentary Union conference—was received by His Holiness Pope Paul VI at the Vatican one Saturday morning, and I think he spoke to us for three-quarters of an hour. Many references to his text are contained in my report. A message from the Secretary-General of the United Nations, Mr. Kurt Waldheim, pointed out the difference between the United Nations and the Inter-Parliamentary Union, and indicated where the two organizations could and should co-operate. This is quoted extensively in my report.

I do not need to dwell on the social program at length. The Italian Government, with all the wealth of history, buildings and a glorious past and present, and with all the richness of Italian civilization, was naturally in a wonderful position to entertain us in the right way. The Canadian Embassy and our Ambassador, Mr. Rogers, could not have been more helpful in our efforts to bring about an improvement in international relations.

Participation in the conference proceedings by our delegates was very active indeed. So far as the Middle East question is concerned, I shall not take time to deal with it at this stage in detail, but I should just like to say that Mr. Gordon Aiken looked after that, and the conference finally deplored the escalation of aggression and acts of violence, and approved a motion that steps be taken to obtain a just and lasting peace. There were, of course, two elements to this Middle East discussion, with Israel on one side and the Arab countries on the other, and ourselves as arbitrators in between. We did our best to try to cool things, and to reach an eventual peace in that particular section of the world.

• (1510)

On the question of the human environment, honourable senators will recall my general interest in environmental matters and will permit me to explain in some detail the stand we took in Rome. At this conference, coming only two months after the Stockholm Conference, environmental problems were very much in the limelight. It provided a special opportunity to press on with Canada's general policy on environmental matters.

A draft resolution was prepared in advance and was submitted to the general conference for discussion, and rejection or approval. Outlining the problems of the human environment, it was a comprehensive resolution touching on many areas of activity, and it provided an excellent summary of the kind of measures which should be recommended to governments. For example, it spoke of the need to recognize that the atmosphere and the oceans are the common heritage of all mankind, and that their quality is being seriously impaired by the effects of industrialization and by the accidental or deliberate discharge of wastes. The draft also said that it is important to recognize that development is essential to the elimination of poverty in the developing nations.

Furthermore, it indicated that the use of the world's resources by the developed nations has increased many

times during the past few decades, and that the demand may overwhelm the supply in the case of some resources.

The draft emphasized the importance of maintaining and preserving the natural resources of the earth, including the air, water, land, flora and fauna, and especially representative samples of natural ecosystems.

It stressed the fact that urbanization has reached alarming dimensions that are detrimental to the quality of human life, and that the situation is continuing to deteriorate. It also stressed the need for governments and the mass media to provide citizens in their respective countries with information on all aspects of environmental management.

The draft resolution also noted the environmental threat posed by the stockpiling of weapons of mass destruction and, lastly, said there should be an awareness of the important role of the Inter-Parliamentary Groups in contributing to the implementation of international juridical instruments or, if you wish, the carrying out of treaties.

Consequently, said the draft, the IPU should call upon the Inter-Parliamentary Groups to take action within their respective parliaments for the speedy ratification—following their approval by the 27th Session of the United Nations General Assembly and the relevant bodies of international agencies—of all the conventions proposed by the United Nations Conference on the Human Environment, and should keep the Bureau of the IPU informed of the action taken and the results obtained.

It is surely evident that this resolution covered many of the problems of the human environment. Why, then, did Canada propose amendments? It is important to understand the Canadian position. Amongst the many countries in the world, Canada is to the forefront in framing and enacting new environmental law. This did not happen by sheer accident. Due to our position on the North American continent, with our great neighbour, the United States of America, to the south, we have been for the last 50 years or more in the process of adjusting claims and grievances, either with or against our neighbour.

For example, let me cite the Trail smelter case in which Canada paid compensation for the spoiling of certain countryside in the United States through smoke emanations from the Trail smelter. Again, I can refer to the Gut Dam case which had to do with the raising of the water level and for which, after arbitration between the two countries, Canada paid certain damages. By the test ban treaty we tried to prevent nuclear testing in the air. I refer to the Boundary Waters Treaty with the United States and to the Great Lakes Agreement. All of these meant a breakthrough either in arbitration or in settling disputes by agreement with the payment of damages, and in nations accepting responsibility for their own acts.

Over the years we have gradually come to the conclusion: "Thou shalt not pollute, and if you do you should pay the price." The second principle to be derived from this is the duty to consult before taking action that will harm a neighbour. These things seem rather obvious between private individuals within a nation, but as between nations it is very new.

[Hon. Mr. Macnaughton.]

The draft resolution presented to us in Rome was, in effect, pretty much a repetition of some of the principles in the Stockholm Declaration. Let me say right here that I was at Stockholm as vice-chairman of the Canadian delegation, and that most of these principles were drafted and pushed by our delegation, and that we have much to be proud of. The Rome draft contained specific recommendations to the parliamentarians for follow-up action with their respective governments. I have referred to these. There was, however, one glaring omission in the resolution on the human environment, namely, the principle of state responsibility. Whether this was left out for some reason, or whether some countries did not want it pushed, I do not know, but it was not put into the resolution. In point of fact, the legal principles in the Stockholm Declaration, particularly those numbered 21 and 22, do not appear at all. Consequently, the Canadian delegation proposed an amendment in the following words:

> Recognizing that States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction,
>
> Urges the National Inter-Parliamentary Groups to encourage their respective Parliaments and Governments to take measures both on the national and international level to develop further international environmental law as well as procedures and arrangements for the peaceful settlement of disputes involving environmental problems—

The Finnish Group then came to the Canadian Group and said that they wished to support and associate themselves with the Canadian amendment. In order to accommodate our Finnish friends, inasmuch as their proposed amendment more or less carried out the same idea, we agreed to replace the second paragraph of our suggested amendment with the Finnish amendment, which reads:

> 1. Calls upon the Inter-Parliamentary Groups to take steps to initiate regional cooperation between national Governments in order to avoid further deterioration of the environment in specific regions;

Canada, at Stockholm, proposed this great principle of state responsibility. Canada reintroduced this principle of state responsibility into the draft resolution in Rome, and this has now been accepted by the Inter-Parliamentary Union. There is very little international environmental law, and there is an urgent need to press forward with the development of such law. This was the purpose and the accomplishment of our amendment, which was accepted.

The Stockholm conference laid down a number of legal principles, some of them applicable particularly to the marine environment. Canada, with an Atlantic coast, an Arctic coast and a Pacific coast, has a particular interest in the Law of the Sea. We are one of the great maritime countries in the world, with a tremendous shoreline. Our difficulty today is in working out an accommodation between coastal states and flag states. None of these difficulties were reflected in the draft resolution. It is Canada's objective to reflect the Canadian position as to (a) the viability of the concept, or (b) the need to modify it.

I refer in particular to the concept of freedom of the high seas. The Canadian position is that freedom of the

seas is now licence to exploit. For example, massive oil tankers would appear to have a licence to pollute. Where does responsibility for pollution lie? Should there be an unregulated freedom of the seas with regard to fishing and/or over-fishing, with regard to movement of ships and possible pollution? Is it not possible for treaties to assign new rights to nations which have a particular interest in protecting their coasts against pollution? The Canadian position, which is slowly being advanced, is: Give jurisdiction to the local coastal state, but not necessarily sovereignty of the seas beyond its coast. Give us jurisdiction and we will make sure that these waters are controlled. I admit this will be for the benefit of Canada, but it will also be for the benefit of other countries throughout the world because if we do not take some steps soon there will not be any benefit to other countries.

The question is not an easy one to decide, as between the conflicting viewpoints, but Canada proposed useful amendments with regard to the oceans, by inserting the words "beyond national jurisdiction," and with regard to the high seas by inserting the words "and seabed beyond national jurisdiction."

• (1520)

The proposed amendments would bring our resolution into line with those which were passed in the United Nations, and would avoid raising those difficult jurisdictional issues which must be left to the Law of the Sea Conference to resolve.

There were two other matters in the draft resolution which deserve a brief comment. The first related to the elimination of poverty in developing nations, but it seemed to ignore the preoccupation of developing countries as to who pays.

The implication is clear. Donor countries and agencies must recognize that environmental problems of the developing countries are vast in scope and potentially so critical that they constitute strong reasons for an increased flow of financial and technical assistance to the Third World. At the Stockholm Conference, Canada explained this view. We announced our intention to play our part in achieving a more rapid rate of resource transfer to the developing countries, and called on other donors to do the same.

It should be realized that this more rapid increase in aid flows can be achieved within the existing international targets of the International Development Strategy of the Second Development Decade. These targets are 0.7 per cent of gross national product for official development assistance. At present, all donors together provide only about half that amount, or 0.35 per cent.

The second matter refers to use of the world's resources and the new patterns and techniques that could hinder the development process of the developing nations, or their trade. This raises the issue of the trade losses which developing countries could, and probably will, experience in consequence of developed countries' measures to protect their environments.

Let me give you an example. It was advanced by a certain country in Africa that they are raising, shall we say, beans which they cultivate and spray with certain chemicals which, for instance, Canada or the United States of America decide should not be used because they pollute the air, soil, beans, food, or whatever it is. So we prohibit the importation of beans from this particular African country. These beans happen to be the whole production of that country; its entire financial existence depends on the sale of the beans to the United States and Canada. On account of our new environmental laws, we prohibit the importation of the product, so the African country goes bankrupt. Very naturally, they tell us that if we wish to impose our laws on them we must offer some assistance or compensation for their product, the loss of which will bankrupt their country. This is what I mean when I say there are many questions which must be very carefully considered.

Developed countries should be prepared to offer, in case of trade dislocation, compensatory trade arrangements under GATT and under bilateral or multilateral agreements. They should also be prepared to provide still more aid, to help strengthen developing countries' capacities continuously to adapt their production and trade to the constantly evolving pattern of world trade. At Stockholm, Canada worked hard to try to reach a compromise between developed and developing countries, so as to help those developing countries which may suffer losses of access to markets. Canada, through its bilateral aid program, has for several years assisted developing countries to preserve and improve their renewable resources—especially forests, fisheries and soils—and to manage them efficiently.

In 1972 at Stockholm, Canada offered $7.5 million to help set up a new environmental fund and a secretariat. In 1973 Canada looks forward to participating in the Conference on the Law of the Sea. In 1975 Canada will act as host to the Conference on Human Settlements. In 1977 Canada has offered to host the second United Nations Conference on the Human Environment.

We believe that Stockholm was a successful first step and that Canada will continue to do its duty to the international community.

At the Rome Conference we tried to carry forward these environmental concepts and to push environmental law and new goals further.

Following the presentation of my views, it became Mr. Louis Comeau's turn to make his remarks on the same matter. I have detailed his remarks to some extent in my written report. Mr. Comeau was selected by the IPU as one of four delegates from the IPU International to attend the Stockholm conference and to report back to it. This he did very effectively and efficiently.

The Bulgarian group—which belongs to that section of countries east of West Germany—did not attend the Stockholm conference. Consequently, they argued in Rome that their views had not been considered, that they had much to contribute and, therefore, that the whole question of our amendments and others should be delayed until 1973. The Bulgarian group tabled a motion to the effect that the resolution be referred to a subcommittee at the 1973 spring meeting, so that delegations of those countries which had not attended the United Nations Conference on the Human Environment in Stockholm might have time to study the findings of that confer-

ence, and thus contribute better to the solution of the environmental problems.

After all, they had refused to go. It was their decision and that of no one else. This Bulgarian motion was rejected, 144 votes in favour and 368 against, with 80 abstentions.

After the plenary debate on these subjects, I was asked to be chairman of the drafting committee, but I declined the honour and suggested the selection of a very clever younger member from Finland, who did a remarkably good job. I am very glad to say that we were successful in having all the important aspects of the Canadian amendments incorporated in the resolution adopted by the conference.

The next subject on the agenda was "End the Arms Race." In my written report I have referred to this extensively, but it really was the baby of Senator Flynn. I understand he will develop his own argument in due course, and I certainly do not wish to trespass on his territory.

The next major subject was "Fight Against Drug Abuse." This is recorded in my written report *in extenso*; but Senator Fred Rowe is here and I know that if you listen to him you will learn a lot. He was certainly most effective at the conference in Rome.

The fifth subject was "Education in Developing Countries." The Honourable Douglas Harkness is no longer a member of Parliament, but his memorable words are incorporated in my report.

The agenda item "Responsibilities of Members of Parliament Towards the Electorate" was handled by Mr. Southam of the other place, and extensive extracts from his remarks are incorporated in my report.

The Inter-Parliamentary Council, which consists of two delegates from each national group, held its meeting and Mr. Aiken and I were in attendance. The council decided to admit the German Democratic Republic, which is East Germany, into the organization. It refused the application of the Democratic People's Republic of Korea, and reconsideration was deferred until the conference this year. The Bangladesh group was admitted. The sixty-first meeting of the IPU will be held in Chile in 1973; the sixty-second in Tokyo, Japan, in 1974; and the sixty-third in London, England, in 1975.

Hon. Mrs. Heath: Would the honourable senator permit a question at this time?

Hon. Mr. Macnaughton: Certainly.

Hon. Mrs. Heath: I wonder if you could state briefly why the Korean group was not admitted?

Hon. Mr. Macnaughton: I listened for many hours to the reasons for and against. If I am correct—and I do not wish to make misstatements—Korea is divided between north and south, with two governments. They are in the process of making an accommodation between them, and one party does not wish the other to be admitted until the accommodation is negotiated, signed and sealed. The other, perhaps, was seeking some debating advantage; I do not know. However, it certainly was not up to Canada or the other countries to decide matters between those two states, which are neighbours and, presumably, are becoming friends. It is thought that by 1973 they will have settled their differences and that everyone will be happy, and they will be welcomed with grace and appreciation. I could obtain a more detailed answer, but I believe that will be sufficient for your purposes.

Hon. Mrs. Heath: Thank you.

• (1530)

Hon. Mr. Macnaughton: Honourable senators, I appreciate very much your patience in listening to this rather long dissertation. I have included extracts from the speeches of our different delegates in connection with the different items on the agenda because they contain many new and worthwhile ideas, and because they serve to explain the purpose of the draft resolutions which were subsequently passed, and which we, from Canada, endorsed.

Canada, as a group member of the Inter-Parliamentary Union, sends delegates to play their part in formulating these resolutions and voting for their adoption. Article 7 of the statutes and rules of the Inter-Parliamentary Union states:

> It is the duty of a national group—

That is, our national Canadian group.

> —to keep its Parliament informed, through its committee or through one of its members, of Resolutions adopted at the Conferences which call for parliamentary or governmental action and, not later than one month before the next following annual Conference, to report to the Bureau of the Inter-Parliamentary Union as to the action taken thereon.

May I suggest, therefore, that if the Canadian group is going to live up to its membership commitment, follow-up action should be taken on the resolutions its delegates adopt at union meetings.

If honourable senators agree with this suggestion, they may wish to refer the resolutions adopted by the Rome Conference to the Standing Senate Committee on Foreign Affairs for review and appropriate action. If this could be completed before the summer recess, the results could form part of the group's report to the bureau, which will be filed no later than August of this year.

As I stated at the commencement of my remarks, I have prepared a detailed report to the Senate on the Sixtieth Annual Conference of the Inter-Parliamentary Union held at Rome. I now table this report, together with the resolutions adopted by the conference, and ask that these documents be printed as appendices to the *Debates of the Senate* of this day.

(*For text of appendices, see pp. 337-349.*)

Hon. Frederick William Rowe: Honourable senators, I should like first to extend my congratulations to our colleague, Senator Macnaughton, for his excellent resumé on the great Inter-Parliamentary conference at Rome last fall and on its implications, particularly as they affect our own country.

I join with him also in expressing appreciation of the contributions made to the conference by our fellow members of the Canadian delegation. Senator Macnaughton has already detailed some of them. I should like also to add my voice to his in expressing our thanks to the vari-

ous Canadian officials who helped to make the conference the success it was.

Before continuing with a few brief remarks on the drug problem, I must say that this was my first international conference as a senator from Canada, and I was very pleased, as a Canadian, to see the respect in which the Canadian delegation, and indeed Canada, was held by the other delegations representing 71 of the world's parliaments. It is a matter of great pride—it should be, and I think it is—that Canada is so highly regarded by other countries, big and small.

In the statement on the drug problem which I made at Rome, to which Senator Macnaughton referred, I made it quite clear that while my views were shared by many people in Canada, they were not necessarily those of my colleagues at the conference or of any Canadian group or body, including the Canadian Senate; they were my own views. I am very happy to say, and I was very gratified, that many delegates supported the views that I expressed. Indeed, it is my recollection that only one delegate—I think the record shows, surprisingly, that he was from the United Kingdom, from one of our own mother countries—opposed my views.

What I said at Rome can be summarized in this way: Because our approach to marijuana has been characterized by emotionalism, irrationality and hypocrisy—I am using those words deliberately—we have antagonized millions of our young people—and I am referring not only to Canada—who have seen through our stupidity and our hyprocrisy. This, in turn, has made them less inclined to take seriously the warnings about really dangerous drugs.

Even more important, by lumping marijuana indiscriminately with hard drugs we have not only made it more difficult to deal with the hard drug problem—one of the great problems facing our society and one that is becoming increasingly serious in Canada—but we have earned the undying gratitude of the criminal element. You cannot have 600 murders committed in the name of hard drugs in the city of Detroit in one year and not have the situation spread eventually into Ontario. Our forefathers did the same in the name of alcohol. We have given criminals the opportunity of cashing in on the demand for marijuana, where the market comprises tens of millions—let us not forget that: the market for marijuana comprises tens of millions of people, young and old—compared with only thousands who constitute the hard drug market.

The millions of young people whom we have branded as criminals for using marijuana—that is what we have done—look around them and see their parents, some of their religious advisers, and many of their political leaders—in short, a significant portion of the respectable adult community—hooked on alcohol, tobacco, and a variety of prescription drugs and even over-the-counter drugs, all infinitely more harmful than cannabis, as represented by marijuana. We then wring our hands in despair and puzzlement over the disrespect that our young people show for law and order.

These same young people know that some of the very doctors who once admonished them about marijuana have made fortunes from prescribing addictive "legitimate" drugs—I attach quotation marks to the word "legitimate"—which compare with marijuana in their deleterious effects, in the same degree, perhaps, that raw alcohol compares with a bottle of coke.

How can we expect a fourth year chemistry student to feel, put in jail for months or years for simple possession of marijuana cigarettes—honourable senators will note that I stressed "a chemistry student"—when he knows that the great drug companies of the world have persistently used every trick or ruse to "push" drugs that are useless, improperly tested, or addictive. The Mafia of New York are pikers compared with the great drug corporations when it comes to pushing harmful drugs.

Returning to the drug debate in Rome, because of time restrictions a number of national delegations were unable to present papers or make statements on this matter, although they indicated a desire to do so. Among them was the Dutch delegation. One of the leaders of the Dutch delegation, Dr. Lamberts—who in addition to being a member of the Netherlands Parliament is himself a prominent medical scientist—was kind enough to give me a copy of the statement which he had prepared for delivery at the conference. I have it here, and I shall be glad to make copies available to any honourable member who might be interested.

• (1540)

I shall not attempt here to summarize the whole statement, but will deal only with his references to cannabis, or marijuana. After pointing out that earlier last year the Dutch government had decided to cease treating the use and possession of cannabis products as a crime—the Dutch government took that step last year—Dr. Lamberts went on to say that a great many of the scientists and politicians concerned, including himself, felt that there should be the same freedom for cannabis products—and this is not indiscriminate freedom—as for alcoholic drinks and cigarettes, with, of course, state regulation of manufacture, traffic and place of sale. Here is a paragraph from Dr. Lamberts' statement:

> In the Netherlands there are some 1,000 drug dependants and some 70,000 alcohol addicts. Furthermore, every year at least 14,000 people die by smoking cigarettes. It is abhorrent to us that elderly men, a glass of brandy in one hand and a cigarette in the other, get excited about a young person smoking a joint. Likewise, we abhor that in several countries the possession and the use of small quantities of cannabis are punished by years of imprisonment.

The Dutch statement concluded by saying that the agreement of the Netherlands delegation to the resolution before the conference, a resolution which the Canadian delegation helped to frame, was given on condition that a clear distinction was made between drugs in general and cannabis.

Honourable senators, no people on earth have a better record for sanity, realism, and practical hard-headed common sense tempered by humanity and compassion than the Dutch people. It is not to be wondered at, therefore, that they have been among the first to see through the sham, hypocrisy and inhumanity—these are strong words, and I use them deliberately; there are no other words to describe this situation—that have characterized society's approach to marijuana. The latest findings of impartial scientific and medical investigations, including

those conducted in England a few weeks ago, show clearly that the use of marijuana is not addictive; it is not conducive to violence; it is not the prelude to hard drug addiction; in no way can it be considered so harmful to society as are amphetamines, barbiturates and a number of other drugs that any one of us can get in an Ottawa drug store this afternoon.

I want to finish my remarks by asking this question: Did the great drug companies that have manufactured and advertised methaqualone—that is the name they use in the United States; we have a different one here—as a sleeping pill know that it produces dependency; that mixed with alcohol its effects can be lethal; that its addictive qualities following abuse are so strong that withdrawal is frequently accompanied by convulsions, and are actually worse than those of heroin? Did they have to wait for other agencies to reveal that in the United States alone there have been numerous deaths from this form of drug addiction, and that at this moment there are thousands of young people, many of them in high school, and some of them not even in high school, hooked on this drug? And that is only one of the respectable drugs on which people are becoming hooked.

If the drug companies did not know that the drug had those properties, then they were guilty of pushing a drug without having tested it adequately. This, of course, is what they did in respect of thalidomide, to name only one. If they did know, or had reason to suspect, that this drug could produce such potentially lethal effects, there is little to choose between them and the heroin pusher in the street.

In the light of this, I ask you to consider this fact: Ten days ago a 21-year old Newfoundlander was given a seven-year sentence in the penitentiary for smuggling marijuana into Canada. He was lucky. Under the laws of Canada, the judge could have sentenced him to life imprisonment. As matters stand at the present time, our drug laws, or lack of them, do more damage to society than the diseases they are meant to cure.

In so far as marijuana is concerned, our laws are indefensible on moral, medical, and social grounds. In fact, in their injustice and inhumanity, they are doing infinite harm to our young people. I am not thinking only of Canadian young people, but young people generally in our society. Politicians admit this privately, religious leaders admit this privately, and the consensus of medical and scientific opinion has admitted it publicly. Why, then, do we perpetuate this situation?

Is it perhaps—and I do not know; I do not ask this rhetorically—that we are too much influenced on this problem, as on so many other matters, by our proximity to and intimate relationship with the United States. The very fact that so many of our drug companies in Canada, many of which were once independent Canadian companies, are now merely branches of the great American companies should give us cause for serious concern. Whatever the reason for our hesitancy and reluctance to revise our drug laws and our procedures for dealing with drug problems—and let me say I am not advocating the wholesale legalization of any particular drug—there was never a better time for Canada to assert its independence and its progressiveness, even if we go no further than have some of the smaller and, in my opinion, more enlightened countries of Europe.

Only today we have seen from the statements made by the Honourable Marc Lalonde, Canada's Minister of National Health and Welfare, that narcotics as such constitute only a small part of the drug problem in Canada. Evidence has been produced showing that many of the drugs being offered to the Canadian public contain impurities or adulterations, or, even more seriously, have not been properly and adequately tested.

In addition to these factors, there is the ever-increasing burden of the cost of these drugs, and drugs generally, to the Canadian people. In the light of all these factors perhaps, honourable senators, the time has come when this body should take the initiative in having an inquiry made into the whole matter of drugs in Canada—not an inquiry into just narcotic drugs, but an inquiry which would include an examination of the laws respecting drugs and narcotic drugs.

If there is sufficient senatorial interest in this suggestion I shall be very glad to bring in a formal resolution later.

On motion of Senator Flynn, debate adjourned.

• (1550)

RESOLUTIONS REFERRED TO THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS FOR CONSIDERATION

Hon. Mr. Macnaughton moved, with leave of the Senate and notwithstanding rule 45(1)(e), that the Resolutions adopted by the Sixtieth Annual Conference of the Inter-Parliamentary Union held at Rome, Italy, September 21 to 29, 1972, tabled this day, be referred to the Standing Senate Committee on Foreign Affairs for consideration.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(*See page 334.*)

REPORT TO THE SENATE ON THE 60TH CONFERENCE OF THE INTER-PARLIAMENTARY UNION, ROME, ITALY, SEPTEMBER 21 TO 29, 1972

BY SENATOR ALAN A. MACNAUGHTON

Honourable senators, in presenting this report on the 60th Conference of the Inter-Parliamentary Union, which was held in Rome, Italy, September 21 to 29, 1972, I have several purposes in mind.

I should like to explain how and why this particular delegation was selected. I should like to explain what the Inter-Parliamentary Union is and how it operates. I should like to give an account of what your delegates accomplished at the conference and the position they took on various matters.

THE CANADIAN DELEGATION

Honourable senators will recall that the date fixed for the Canadian General election was October 30, 1972. As a consequence it was impractical for several members of the House of Commons, who had already been selected delegates, to take a trip to Rome and not risk being re-elected in their own constituencies. Honourable members of the Senate were then called upon to step in and fill the breach and take over on relatively short notice. As a consequence the Canadian delegation consisted of more senators than is usual.

The delegation participating in the Rome Conference was as follows: Mr. Gordon Aiken, M.P., leader of the delegation and member of the Inter-Parliamentary Council. Mr. Aiken, a long-time member of the other place was not a candidate for re-election. As a long-time member of the IPU and as a member of the Inter-Parliamentary Council of the IPU, it was right and proper that he lead the delegation to Rome. May I say right now that he did a superb job of leadership and organization and the successes that the Canadian delegation to Rome obtained were, in large part, due to his wisdom, experience and direction.

Having, myself, been a member of the other place for many years and having known Mr. Aiken for many years and his many contributions to debate in the other place, may I say that I regret that for health reasons he could not continue as a member of Parliament.

The Senate was represented by the Honourable Raymond Eudes, Q.C., the Honourable Jacques Flynn, P.C., Q.C., Leader of the Opposition, the Honourable Senator Sarto Fournier, the Honourable Senator J. J. Greene, P.C., Q.C., the Honourable Senator F. W. Rowe, and myself as vice-chairman of the delegation and as member of the Inter-Parliamentary Council. The wives of these members came along to help us out.

The House of Commons was represented by Mr. Louis Comeau, M.P., the Honourable D. S. Harkness, P.C., M.P., and Mr. R. R. Southam, M.P. In the case of Mr. Comeau, he attended the United Nations Conference on the Human Environment in Stockholm in June, 1972, on behalf of the IPU. Both the Honourable Douglas Harkness and Mr. Southam, long-time members of the other place, decided not to contest their seats in the October election and consequently were available to be delegates and to tender their experience and counsel to the delegation.

I should, at this time, mention Miss Jean Macpherson the delegation's Deputy Executive Secretary-Treasurer and the Assistant Secretary, Mr. Bruno Lecci, from the Committee's Branch of the House of Commons. Mr. Alex Small, Second-Clerk Assistant and Director of Legislative Services of the other place, attended meetings of the Association of Secretaries General of Parliament, which took place during this conference.

I think a word of appreciation should be entered on the record, at this stage, of the work of our Inter-Parliamentary Relations Branch, which services the following organizations:

The Inter-Parliamentary Union—IPU

The Commonwealth Parliamentary Association—CPA

NATO

Canada-U.S. Inter-Parliamentary Group

Canada-France Inter-Parliamentary Group

Association Internationale des Parlementaires de Langue Française—AIPLF.

SIX IN ALL

When I had something to do with these matters in the other place, we decided that instead of spreading ourselves far, wide and handsome, these various associations should be placed under a central administrative center so that all members of Parliament and senators would have the opportunity of sharing the activities and becoming members of delegations, that proper research and administrative facilities would be provided on a yearly basis, so that Canada's image abroad could rely on maximum effort and maximum contribution.

Prior to the delegation leaving for Rome, the Parliamentary Center for Foreign Affairs and Foreign Trade arranged for intensive briefings. Mr. Peter Dobell of the above organization was largely responsible for the very intensive and worth-while briefings given by top representatives of External Affairs, Industry, Trade and Commerce, Health and Welfare, Defence, Finance, Energy and the Department of the Environment. I am sure you would want me to express your thanks and appreciation to these unheralded and worthy experts, who year after year are

responsible for the proper briefing of members of both houses.

THE INAUGURAL CEREMONY

The inaugural ceremony was held in the Italian Chamber of Deputies, where some 710 delegates, including 526 members of Parliaments from 64 countries assembled to hear welcoming speeches from the President of the Italian Republic, the President of the Senate, the President of the Chamber of Deputies and the President of the Council of Ministers. It was no mere coincidence that it was in the city of Rome the conference was held, a city whose "Senate and People" had in times past contributed to forming the supremacy of law and rights and the permanency of institutionally organized assemblies, the same principles invoked by the Inter-Parliamentary Union. An appeal was made to reaffirm these principles of law, disrespect for which make international relations impossible.

Now I would like to list the subjects which were up for discussion and which were in turn allocated to one or two members of the delegation. These subjects were:

1. A general debate, including the situation in the Middle East and new forms of political pressure in international affairs. The leader of the delegation, Mr. Gordon Aiken took this matter under his wing.
2. The Need to Intensify Efforts to Put an End to the Arms Race, with regard to all types of weapons in view of its political, economic and social consequences. Senator Flynn handled this matter efficiently and tactfully.
3. Problems of the Human Environment. Mr. Louis Comeau, M.P. and myself were given this responsibility.
4. Status and Prospects of Education in Developing Countries with Particular Reference to the Training of Middle and High Level Technical Personnel. The Honourable Douglas Harkness was in charge here.
5. The Fight Against Drug Abuse—International System of Control—Suppression of Illicit Traffic, Prevention Treatment and Social Rehabilitation. Senator Rowe took this on.
6. Responsibilities of Members of Parliament Towards the Electorate. Mr. Southam, M.P. dealt with this matter.

Honourable Senators Eudes, Fournier and Greene, while assisting in the preparation of the above items, had special responsibilities with regard to attending all plenary and general sessions, committee meetings, along with the many social duties carried on in the evenings, which conferences of this sort entail.

Honourable senators, I remember some few years ago the Honourable Senator Grosart rising and asking some honourable senator, who at the time was making a report on an association meeting, to give this house details as to what the delegation accomplished and how its time was spent. This, I think, is a very proper and useful request. In consequence, I would like to explain what the IPU is and later on what the delegation tried to accomplish.

THE IPU

First a short note with regard to the history of the organization. The origins of the Union date back to 1889, when on the initiative of the United Kingdom and of France, it was decided to hold periodically an "Inter-Parliamentary Conference of international arbitration." The movement developed rapidly and by 1894 a permanent organization had been set up under the name of "Inter-Parliamentary Unions" with its own statutes and secretariat.

Since then, and although two world wars caused a temporary interrruption of activities, the continuity of the Union's existence has been maintained, its membership and field of work expanded and its methods adapted to changing circumstances.

Canada re-affiliated in 1960.

WHAT ARE THE OBJECTIVES OF THE IPU?

Article 1 of the Statutes lays down that the aim of the Inter-Parliamentary Union is:

> "to promote personal contacts between members of all Parliaments, constituted into National Groups, 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 representative institutions and in the advancement of the work of international peace and cooperation, particularly by supporting the objectives of the United Nations. With this object in view, the Inter-Parliamentary Union will also study and seek solutions for all questions of an international character suitable for settlement by parliamentary action and shall make suggestions for the development of parliamentary institutions. With a view to improving the working of those institutions and increasing their prestige."

In 1971, the Union concluded a headquarters agreement with the Swiss Federal Council. Its juridical capacity and international status are recognized in Switzerland.

WHAT IS ITS STRUCTURE?

The Union is the only world-wide organization for Parliaments. It is composed of national groups which must be established "in a Parliament constituted in conformity with the laws of a sovereign state of which it represents the population and on the territory of which it functions."

HOW DOES THE IPU EXPRESS ITSELF?

The organs of the Union are:

a) The Inter-Parliamentary Conference which meets once a year.

b) The Inter-Parliamentary Council, composed of two members from each affiliated Group.

c) Standing Study Committees. There are at present five:

The Committee on Political Questions, International Security and Disarmament;

The Parliamentary and Juridical Committee;

The Economic and Social Committee;

The Educational, Scientific and Cultural Committee;

The Committee on Non-Selfgoverning Territories and Ethnic Questions.

d) The Inter-Parliamentary Bureau, which is the Secretariat of the Organization and the operational

mechanism for implementing the Union's programmes of activities.

In addition, the Association of Secretaries General of Parliaments, constituted as an autonomous section of the Inter-Parliamentary Union, seeks to facilitate personal contacts between the Clerks of Parliaments, whether such assemblies are represented in the Union or not. The association studies the procedure, practice and working methods of different Parliaments and proposes measures for improving those methods and for securing co-operation between the services of different Parliaments.

Membership as at January, 1973, consisted of 72 countries. The Union's budget for 1973 amounts to Swiss francs 1,534,000 and is met by contributions from national groups.

WHAT ARE THE ACTIVITIES OF THE IPU?

The Union's work is essentially carried out in two field, action for peace and the strengthening of parliamentary institutions; in order to fulfil the second of these tasks, the Inter-Parliamentary Bureau has a specialized department: The International Centre for Parliamentary Documentation (CIPD), which organizes symposia enabling different points of view to be discussed. The International Centre for Parliamentary Documentation also carries out studies and publishes special works on parliamentary matters, maintains a complete library on the life of legislative assemblies, renders technical assistance to the assemblies of developing countries to help them improve the qualifications of their staff and their working methods.

The activities of the Union take the following forms: International meetings, such as conferences which bring together M.P.s representing different countries. It holds two regular sessions each year: the first, which takes place in the spring, is primarily devoted to the work of the Inter-Parliamentary Council and the Standing Study Committees and, in general prepares the work of the second session, the Inter-Parliamentary Conference, which is held in a different country each autumn. Recent conferences have been held in Teheran (1966), Lima (1968), New Delhi (1969), The Hague (1970), Paris (1971) and Rome (1972).

Various publications are issued by the IPU such as extensive reports of the proceedings of the different IPU conferences, parliamentary studies, parliamentary reference books with respect to the structure and functioning of representative institutions in 55 countries. The Inter-Parliamentary Union has consultative status category 1 with the United Nations Economic and Social Council. It has concluded consultative agreements with UNESCO and maintains contacts with other specialized agencies of the United Nations. It has also close relations with various regional parliamentary organizations.

From this rather long analysis of the Inter-Parliamentary Union, honourable senators will appreciate how important it is that Canadian delegations going to these international conferences be fully briefed and aware of the great opportunity to meet other parliamentarians of wisdom, capacity and influence.

HIS HOLINESS POPE PAUL VI

Before dealing with Canadian participation in conference proceedings, I should like to refer to two speeches the delegates were privileged to listen to. On the morning of Saturday, June 23, His Holiness Pope Paul VI received the delegates in special audience at the Vatican. Speaking in French, Paul VI thanked the delegates for testifying by their visit to the action of the Apostolic Seat and the Catholic Church in favour of world peace, and offered some personal reflections concerning political action whose basic aim he defined as the implementation of the common good. He congratulated the members of Parliament on seeking to attain this goal through an international organization, thus manifesting their awareness of the link between the common good of one nation and its fulfilment at the world level.

Did this mean, asked the Holy Father, that the very nature of the parliamentary function should be reconsidered? Was it not to be seen, in fact, in liberal democracies, that the people were placing increasing confidence in intermediary bodies, such as trade unions, professional organizations, various associations, that were closer to their daily interests and worries? Outdistanced by technical progress, was Parliament no longer able—for lack of competency and rapidity of reaction—to intervene effectively, thus allowing the executive power to extend, sometimes abusively, its field of intervention to an increasingly broad range of subjects, simply because the executive had surrounded itself with technical experts and modern means of action?

After stressing the salutary role of Parliament in safeguarding democracy and as a guarantee of political balance in the face of the frequently growing power of the executive, the Holy Father enumerated the remedies to this situation suggested by this exceptional meeting with the elected representatives of so many of the world's nations. He defined the double aspiration to equality and to participation as "two forms of the dignity of man and of his freedom." Parliament must, therefore, he said, win recognition from the government and public opinion through the weight of its knowledge and debates. To that end, it was more than ever necessary to seek a high level of collective and individual morality, the awareness of a common responsibility with regard to the future of the nation, the will to reach a national consensus. The member of Parliament, he insisted, must appear as the artisan of the good of all and not as the spokesman of a clientele and must, therefore, resist all forms of pressure. In addition, the rights of the opposition should be recognized, in the limits of what is just and honest, so that it should not need to have recourse to secret means which often had harmful results.

The Holy Father expressed his conviction that "Parliaments have still an important role today. They are, in fact, the only place where group conflicts can be solved by law, and a just law, if it is correctly conceived and applied."

MR. KURT WALDHEIM—SECRETARY GENERAL OF U.N.

Another message from the Secretary General of the United Nations, Mr. Kurt Waldheim, said in part "many of the subjects that you will discuss in Rome will also be on the assembly's agenda in New York. Parliamentary

debate is a vital part of the process of generating the support and guidance which government must have if they are successfully to face the many and bewildering problems and challenges of our time. Although the United Nations charter speaks for 'We the People of the United Nations,' our organization is in fact an association of the sovereign governments, and it has the limitations as well as the advantages of such an association.

One of the differences between your conference and the General Assembly of the United Nations is that you have much will to act but perhaps not always sufficient power to do so, while the governments in the United Nations have the power to act but often lack the collective will to do so."

SOCIAL PROGRAM

At this time I should like to make short reference to the social program. It doesn't take a genius to point out the great value of social contacts and the opportunity of meeting your opposite number from 72 different countries around the world. Here a chance is given to persuade others to your country's point of view, to learn of different viewpoints and attitudes and to try to reach compromises where necessary in the general good.

The Italian group arranged an interesting programme of social events which enabled participants to visit historic palaces and art galleries which would not otherwise be open to them. Few places in the world can compare with the historic significance and the magnificance of the different buidlings in Rome where dinners and receptions were given. The President of the Italian Republic, the President of the Chamber of Deputies and of the Senate, the Prime Minister, in turn entertained the delegates at Castel Sant'Angelo, Palazzo de Quirinale, Palazzo dei Conservatori in Campidoglio and Palazzo Venezia. The latter was Mussolini's palace, and many of the delegates stood on the balcony from which he used to address the crowds in the square below.

The embassies of the different nations entertained extensively and a very special vote of thanks should be tendered to Ambassador Rogers, of Canada, for his attention and assistance to us during the conference.

CANADIAN PARTICIPATION IN CONFERENCE PROCEEDINGS

1. The Middle East: The conference opened with a general debate on the political, economic and social situation of the world, the situation in the Middle East and new forms of political pressure in international affairs.

In his address during this debate, Mr. Aiken said that with the positive action to organize the parliamentary conference on European Co-operation and Security, the Inter-Parliamentary Union was beginning to make its influence felt beyond the organization itself, which was a new and useful surge forward.

By 459 votes to 51, with 188 abstentions, the conference adopted a resolution on the situation in the Middle East in which, among other things, while deploring the escalation of aggression and acts of violence, it reaffirmed its support for the rapid achievement for a just and lasting peace.

2. Problems of the Human Environment: I hope honourable senators will recall my general interest in environmental matters and permit me to explain in some detail the stand we took in Rome. Coming only two months after the Stockholm conference, environmental problems were very much in the limelight. It provided a great opportunity to press on with Canada's position.

The draft resolution dealing with problems of the human environment was a comprehensive one, touching on many areas of activity and it provided an excellent summary of the kind of measures which should be recommended to governments. For example, it spoke of the need to recognize that the atmosphere and the oceans are the common heritage of all mankind and that their quality is being seriously impaired by the effects of industrialization and the accidental or deliberate discharge of wastes.

Again it is important to recognize that development is essential to the elimination of poverty in the developing nations. Further, that the use of the world's resources by the developed nations has increased many times during the past decades and that the demand may overwhelm the supply in the case of some resources. Or, again, the importance of maintaining and preserving the natural resources of the earth, including the air, water, land flora and fauna, and especially representative samples of natural ecosystems.

It is important to stress the fact that urbanization has reached alarming dimensions that are detrimental to the quality of human life and that the situation is continuing to deteriorate, and also the need for governments and the mass media to provide citizens in their respective countries with information on all aspects of environmental management.

One must take note of the environmental threat posed by the stockpiling of weapons of mass destruction and, lastly, one should be aware of the important role of the Inter-Parliamentary Groups in contributing to the implementation of international juridical instruments.

Consequently, the IPU should call upon the Inter-Parliamentary Groups to take action within their respective parliaments for the speedy ratification following their approval by the 27th Session of the United Nations General Assembly and the relevant bodies of international agencies, all the conventions proposed by the United Nations Conference on the Human Environment, and keep the Bureau informed of the action taken and the results obtained.

It surely is evident that this resolution covered many of the problems of the human environment. Why then did Canada propose amendments? I think it is important to understand the Canadian position. Of the many countries in the world, Canada is amongst the forefront in enacting and making new environmental law. This did not happen by sheer accident. Due to our position on the North American continent and our great neighbour, the U.S.A., to the south, we have been for the last fifty years or more in the process of adjusting claims and grievances either with the U.S.A. or against the U.S.A. For example, let me cite the Trail Smelter case in which Canada paid compensation for the spoiling of certain countryside in the United States due to the result of smoke emanations from the Trail smelter. Or again refer to the Gut Dam case, which had to do with the raising of the water level and on which,

after arbitration between the two countries, Canada paid certain damages. Then again the Test Ban Treaty in which we tried to prevent testing in the air. And I refer to the Boundary Waters Treaty with the U.S.A. and the Great Lakes Agreement, all of which meant a breakthrough in either arbitration or settling disputes by agreement with the payment of damages and accepting responsibility for one's own acts.

Over the years we have gradually come to the conclusion that "Thou shalt not pollute and if you do you should pay the price." The second principle to be derived from this is the duty to consult before you take actions that will harm your neighbour.

Now, the draft resolution which was presented to us in Rome was, in effect, pretty much a repetition of some of the principles in the Stockholm Declaration, with specific recommendations to the parliamentarians for follow-up action with their respective governments. I have referred to these. There was, however, one glaring omission in the said resolution, namely, the principle on state responsibility. In point of fact the legal principles in the Stockholm Declaration with respect to principles 21 and 22 of the said Declaration do not appear at all. Consequently the Canadian delegation proposed an amendment in the following words:

That the following two paragraphs should be added as a new Section A:

"Recognizing that states have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction,

Urges the National Inter-Parliamentary Groups to encourage their respective parliaments and governments to take measures both on the national and international level to develop further international environmental law as well as procedures and arrangements for the peaceful settlement of disputes involving environmental problems;"

The Finnish group then came to the Canadian group and said that they wished to support and associate themselves with the Canadian amendment. In order to accommodate our Finnish friends inasmuch as their proposed amendment more or less carried out the same idea, we agreed to replace the second paragraph of our suggested amendment with the Finnish amendment, which reads—

1. Calls upon the Inter-Parliamentary Groups to take steps to initiate regional cooperation between national governments in order to avoid further deterioration of the environment in specific regions;

Canada, at Stockholm, proposed this great principle on State responsibility. Canada reintroduced this principle of State responsibility into the draft resolution in Rome and this has now been accepted by the Inter-Parliamentary Union. There is very little international environmental law and there is an urgent need to press forward with the development of such law. This was the purpose and the accomplishment of our amendment, which has been accepted.

The Stockholm conference laid down a number of legal principles, some of them applicable particularly to the marine environment. Canada has a particular interest in the law of the sea, with an Atlantic coast, an Arctic coast and a Pacific coast. We are one of the great shoreline maritime countries in the world. Our difficulty today is how to work out an accommodation between coastal states and flag states. None of these difficulties were reflected in the draft resolution and it is Canada's objective to reflect the Canadian position as to:

a) The viability of the concept, or

b) The need to modify it.

I refer in particular to the freedom of the high seas concept. The Canadian position is that freedom of the seas is now license to exploit; for example, massive oil tankers would appear to have a license to pollute. Where does responsibility lie for pollution? Should there be an unregulated freedom of the seas with regard to fishing and/or overfishing, with regard to movement of ships and possible pollution. Isn't it possible for treaties to assign new rights to nations who have a particular interest in protecting their coasts against pollution? The Canadian position which is slowly being advanced is: give jurisdiction to the local state, the local coastal state—not necessarily the sovereignty of the seas beyond its coast. The question is not an easy one to decide between the conflicting viewpoints, but Canada proposed useful amendments with regard to the oceans by inserting the words "beyond national jurisdiction," and with regard to the high seas by inserting the words "and seabed beyond national jurisdiction."

These proposed amendments would bring our resolution into line with those which have been passed in the United Nations and would avoid raising any difficult jurisdictional issues which must be left to the Law of the Sea Conference to resolve.

There were two other matters in the draft resolution upon which I should like to comment briefly. The first relates to the elimination of poverty in developing nations but it seems to ignore the preoccupations of developing countries as to who pays.

The implication is clear. Donor countries and agencies must recognize that environmental problems of the developing countries are vast in scope and potentially so critical that they constitute strong reasons for an increased flow of financial and technical assistance to the third world. Canada explained this view at the Stockholm Conference. We announced our intention to play our part in achieving a more rapid rate of resource transfer to the developing countries and called on other donors to do the same.

It should be realized that this more rapid increase in aid flows can be achieved within the existing international targets of the International Development Strategy of the Second Development Decade. These targets are 0.7 per cent of gross national product for official development assistance. At present all donors together provide only about half that amount, or 0.35 per cent.

The second matter refers to use of the world's resources and the new patterns and techniques that could hinder the development process of the developing nations or their trade. This raises the issue of the trade losses which developing countries could, and probably will, experience in consequence of measures by developed countries to

protect their environments. Developed countries should be prepared to offer, in case of trade dislocation, compensatory trade arrangements under GATT and other bilateral and multilateral agreements. They should also be prepared to provide more aid to help strengthen developing countries' capacities continuously to adapt their production and trade to the constantly evolving pattern of world trade. At Stockholm, Canada worked hard to try and reach a compromise between developed and developing countries which would help developing countries which may suffer losses of access to markets. Canada, through its bilateral aid programme, has for several years assisted developing countries to preserve and improve their renewable resources, especially forests and fisheries and soils, and to manage them efficiently.

In 1972 at Stockholm, Canada offered $7.5 million to help set up a new environmental fund and secretariat. In 1973 Canada looks forward to participating in the Conference on the Law of the Sea. In 1975 Canada will act as host to the Conference on Human Settlements. In 1977 Canada has offered to host the second United Nations Conference on the Human Environment.

We believe that Stockholm was a successful first step and Canada will continue to do its duty to the International Community.

Following the presentation of my views, it then became Mr. Louis Comeau's turn to make his remarks on the same matter. It should be recalled that Mr. Louis Comeau had been appointed by the IPU last year, one of four delegates sent by the IPU to the United Nations Conference on the Human Environment at Stockholm in June, 1972, and as a consequence he had, along with the other members, made a complete report to the council. Consequently, in his remarks Mr. Comeau expressed his disappointment that the IPU delegation attending the Stockholm conference had been present only as observers and said that Parliaments aught to be heard more at the United Nations and that wider recognition ought to be given to the work of the IPU. He pointed out that, after all, the Stockholm resolutions would have to be ratified by the Parliaments.

Problems of the human environment differed from country to country and each country had to decide its own priorities and its own actions. Nevertheless, this was a subject in which it ought to be possible to reach agreement on regional co-operation between national governments in order to avoid further deterioration of the environment in specific regions. The Finnish and Canadian groups had submitted an amendment to this effect.

The fact that Iceland wished to take unilateral action to extend her fishing limits showed that it had not been possible to reach agreement on this subject in the Conference of the Law of the Sea. Several other countries had been frustrated by an inability to reach agreement at the international level, and Mr. Comeau urged development of international environmental law and procedures for the peaceful settlement of the disputes which involved environmental problems.

The Bulgarian group tabled a motion to the effect that the resolution be referred to a subcommittee at the 1973 spring meeting, so that delegations of those countries which had not attended the United Nations Conference on the Human Environment in Stockholm might have time to study the findings of that conference and thus contribute better to the solution of the environmental problems. This, I am glad to say, was rejected by 144 votes in favour and 368 against, with 80 abstentions.

After the plenary debate on the environmental questions, I was asked to be a member of a nine-man drafting committee charged with the responsibility of studying the amendments which were being submitted and to bring before the conference a revised draft resolution. I refused to accept the chairmanship of this drafting committee and suggested instead that a Finnish member of Parliament become chairman, which was done. I am happy to report that we were successful in having all the important aspects of the Canadian amendments incorporated in the resolution adopted by the conference.

END THE ARMS RACE

Senator Flynn, speaking during the general debate on the Need to Intensify Efforts to Put an End to the Arms Race with Regard to All Types of Weapons, in View of its Political, Economic and Social Consequence, criticized the draft resolution because it tended to confuse the issue and seemed to suggest that the main purposes of states in seeking disarmament was based on reasons which he thought were merely secondary reasons.

He said that it must be borne in mind, in determining what could be done at each stage, that the resistance to disarmament arose because of the nuclear danger and the fact that each country gave priority to its own security. The fact that the important thing was the security of each country did not emerge in the draft resolution. Consequently, it was important to devise a means of insuring security without the use of weapons. There could be a move toward disarmament only if all people were to accept the idea of abandoning part of their national sovereignty under a supra-national authority capable of giving effect to its decisions.

The conference unanimously supported the activities of the United Nations in this field and called upon parliaments to increase efforts for the ratification of existing international instruments, for the preparation of a draft convention on the complete prohibition of chemical weapons and for the finding of a solution to disarmament problems in the context of a world disarmament conference.

FIGHT AGAINST DRUG ABUSE

During the plenary debate, Senator Rowe said that confusion and uncertainty had existed in the minds of many young people because responsible authorities had continued to equate the use of a soft drug, such as marijuana, with the use of a potential killer drug, such as heroin. Unfounded predictions about the use of marijuana, which millions of students had discovered from personal experience to have no basis in reality had led young people to project the marijuana results to the use of other, more harmful drugs, where such predictions and warnings were fully justified. He said that his experiences with young people had led him to conclude that the casual and nonchalant attitude which some of them displayed

towards LSD, heroin and other hard drugs resulted from the unreliability of the advice which they had received in respect to marijuana. He concluded by saying that any approach to the drug problem based on ignorance, prejudice or irrational emotional reactions could only strengthen the hands of the predators.

Canada submitted amendments to the original draft resolution, and Mr. Aiken was a member of the 12-man drafting committee which produced the resolution adopted by the conference by a vote of 591 in favour, 5 against, with 73 abstentions. The text of the resolution appeals to parliaments to support the efforts of the United Nations in this field (contributions to the special fund for drug abuse, ratification of international conventions, etc.), to take appropriate measures at the national level which will limit the illicit cultivation of plants yielding dependence-producing substances; attack the illicit manufacture and traffic of harmful drugs; promote welfare programs, particularly for young people; advance international co-operation for detecting illicit drug and further scientific research in the socio-medical field and to enact legislation providing for very heavy penalties on persons convicted of trafficking in drugs.

EDUCATION IN DEVELOPING COUNTRIES

Mr. Harkness, in his remarks during the plenary debate on the Status and Prospects of Education in the Developing Countries, with particular reference to the training of middle and high level technical personnel, said that he thought the most effective aid to a developing country was that given to education, particularly technical education. He strongly supported the paragraph of the draft resolution which referred to the importance of nationals in developing countries being trained to take over development projects. Canada's objective in aid to developing countries had always been that native personnel should take over the project as rapidly as possible.

He said a constantly increasing portion of people from developing countries were being given technical training abroad but he said that one great weakness had been that many of them did not return to their own native countries to employ their skills. The whole purpose of the exercise had thus been defeated. He suggested that bilateral agreements should be reached between developed countries and those receiving aid to ensure that, once trained, the personnel returned home to contribute to the development of their own country.

The conference also unanimously adopted a resolution on Modern Forms of Vocational Training in Relation to Employment, in which it formulated detailed recommendations on the various aspects of the problem (training of young people, retraining of adults, adaption of programs to current and future needs, training of handicapped persons, etc.).

RESPONSIBILITIES OF MEMBERS OF PARLIAMENT TOWARDS THE ELECTORATE

The conference held very detailed discussions on the Responsibilities of Members of Parliament towards the Electorate, which brought to light the differing conceptions of the problem in the various countries represented in the Union.

During the plenary discussion of this subject, Mr. Southam said that every legislator could decide for himself whether his first loyalty belonged to his constituency, to his party, to his country or to his own conscience. The choice was not always easy. A member was usually elected on behalf of a political party with a certain program. But sometimes the interests of the member and the interests of the party might be at variance, such as when a member's constituents disagreed with a certain policy. The member might have his own views on the subject.

He said that a parliamentarian who lived a great distance from the capital, and where it was difficult to travel great distances regularly while parliament was in session, should cultivate close contact with the press, radio and television so that he could report regularly week by week the issues under debate in parliament and what his stand would be when a vote was taken.

INTER-PARLIAMENTARY COUNCIL

The Inter-Parliamentary Council met on September 20 and 29 and Mr. Aiken and I attended. The German Democratic Republic took their seats in the council. The request for affiliation by the Democratic Peoples Republic of Korea was not accepted. Their request to join was referred to the 1973 spring meeting in Abidjan. The council decided to admit the Inter-Parliamentary Group constituted in Dacca by the Constituent Assembly of Bangla Desh. The council also decided that the spring meeting for 1973 would be held in Abidjan, the Ivory Coast; the 61st Inter-Parliamentary Conference, in Santiago, Chile, in 1973, and the 62nd Inter-Parliamentary Conference, in Tokyo, Japan, in 1974. The 63rd conference is to be held in London in 1975.

Finally, since legislative elections were to be held in the Federal Republic of Germany on November 19, 1972, the council decided to postpone the Inter-Parliamentary Conference on European Co-operation and Security to be held in Helsinki, Finland, until January 26 to 31, 1973.

Honourable senators, I have included extracts from the speeches of our different delegates in connection with the different items on the agenda because they contain many new and worthwhile ideas and because they serve to explain the purpose of the draft resolutions which were subsequently passed and which we, from Canada, endorsed.

Canada, as a group member of the Inter-Parliamentary Union, sends delegates who play their parts in formulating these resolutions and voting for their adoption. Article 7 of the statutes and rules of the IPU provides:

> It is the duty of a national group to keep its Parliament informed, through its committee or through one of its members, of resolutions adopted at the conferences which call for parliamentary or governmental action and, not later than one month before the next following annual conference, to report to the Bureau of the Inter-Parliamentary Union as to the action taken thereon.

May I suggest to you, therefore, that if the Canadian group is going to live up to its membership commitment, follow-up action should be taken on the resolutions that its delegates adopt at Union meetings.

APPENDIX "B"

(*See page 334.*)

RESOLUTIONS ADOPTED BY 60TH CONFERENCE OF THE INTER-PARLIAMENTARY UNION, ROME, ITALY, SEPTEMBER 21 TO 29, 1972

I

NEED TO INTENSIFY EFFORTS TO PUT AN END TO THE ARMS RACE WITH REGARD TO ALL TYPES OF WEAPONS, IN VIEW OF ITS POLITICAL, ECONOMIC AND SOCIAL CONSEQUENCES

The 60th Inter-Parliamentary Conference,

Noting that the constantly accelerating armaments race, in particular nuclear armaments, is causing an enormous waste of human and other resources,

Expressing grave concern in connection with increasing world arms arsenals, both in the field of nuclear and of conventional weapons,

Recognizing that the effectiveness of UN action in removing threats to peace and suppressing acts of aggression renders possible the undertaking of progressive measures towards disarmament,

Believing that the diversion of enormous resources and energy, human and material, from peaceful economic and social pursuits to an unproductive arms race places a great burden on both the developing and the developed countries, and leads to international complications,

Convinced that the implementation of disarmament measures could release considerable resources which should promote economic and social development, and would increase the possibilities of providing additional resources to the developing countries,

Expressing satisfaction that the international community has been able to achieve some agreement in the field of disarmament,

Considering that, in the contemporary world which is becoming increasingly interconnected, the destructive force of modern weapons implies participation by all countries in the search for solutions to disarmament problems,

Realizing that Parliaments should continue to make efforts for the adoption of efficient disarmament measures and for the achievement of concrete progress towards general and complete disarmament under effective international control, in the interest of all countries and in the belief that this is the most important task facing mankind today,

Welcoming Resolutions 2667 (XXV) and 2831 (XXVI) of the United Nations General Assembly,

1. Calls upon Parliaments in all countries of the world to intensify their efforts against the arms race and in favour of disarmament, to work for the banning of nuclear, chemical and bacteriological weapons, for the ending of nuclear-weapons tests, including underground tests, by everyone everywhere, for the setting up of nuclear-free zones in various regions of the world, where favourable conditions prevail, for the reduction of armed forces and armaments, and for the universal reduction of military expenditure, especially that of big States;

2. Expresses confidence that the success of these efforts could be promoted by the speediest coming into force of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction and by the speedy preparation of a draft convention on the complete prohibition of chemical weapons;

3. Calls upon all Parliaments to see that the obligations arising from the Agreements already accepted on the limitation of the arms race are respected;

4. Enthusiastically approves the decision taken by the XXVIth session of the UN General Assembly with reference to the convocation of a world disarmament conference, open to all States, and calls upon Parliaments in all countries of the world actively to promote its preparation in accordance with that decision.

II

SITUATION IN THE MIDDLE EAST

The 60th Inter-Parliamentary Conference,

Expressing its deep concern over the situation in the Middle East which continues to represent a threat to world peace,

Deploring the escalation of aggression and acts of violence which make increasingly numerous victims and have the effect of hindering efforts for peace,

Recalling previous appeals by the Inter-Parliamentary Union for a peaceful, just and lasting settlement in the Middle East,

Mindful of the Resolutions adopted by the United Nations on this subject, and especially those adopted by the Security Council, in particular Resolution 242 of November 22, 1967,

Re-emphasizing the importance of respecting the rights of the peoples concerned in accordance with the Universal Declaration of Human Rights,

1. Reaffirms its support for the rapid achievement of a just and lasting peace in the Middle East pursuant to UN Security Council Resolution 242 of November 22, 1967;

2. Urges all the parties concerned to co-operate with the United Nations and the Secretary-General's representative to promote agreement and assist efforts to achieve a peaceful and accepted settlement which would take into account the well-being and the legitimate interests of all peoples concerned;

3. Expresses the hope that a rapid solution of the problem will be forthcoming so that the armed conflict will not be resumed.

III

NEW FORMS OF POLITICAL PRESSURE IN INTERNATIONAL AFFAIRS

The 60th Inter-Parliamentary Conference,

Gravely concerned at the increasing number of new forms of political pressure, such as acts of violence committed by Governments or individuals resulting in injuries to and the death of innocent persons and the exacerbation of international relations; acts of unlawful interference which cause serious security problems, endanger lives and jeopardize the freedom of air travel; acts of violence committed against diplomats and foreign officials entitled, in conformity with international law, to benefit from special protection; acts of hijacking; and reprisals against populations and innocent persons,

Recalling the relevant Resolutions adopted by the UN General Assembly and Security Council and by the International Civil Aviation Organization,

Recalling, in particular, the Resolution adopted by the 58th Inter-Parliamentary Conference on hijacking,

Appeals to the Parliaments of all nations to exert influence on their respective Governments:

1. To ratify as quickly as possible the Tokyo, Hague and Montreal Conventions against hijacking and to give serious consideration to further measures to the same end;

2. To support urgent consideration, in the UN General Assembly, of the draft articles prepared by the International Law Commission on the protection of diplomatic agents and other persons entitled to special protection under international law;

3. To support the convening of a conference on the adoption of a Convention on the Prevention and Punishment of International Terrorist Acts such as murder, kidnapping, blackmail, extortion, hijacking and sabotage;

4. To take all appropriate measures within their jurisdiction to deter and prevent hijacking, terrorism and kidnapping, including measures to deal with those who commit such acts;

5. To fulfil, in particular, the duty States have undertaken under the UN Charter to refrain from organizing, instigating, assisting or participating in acts of civil strife or terrorist acts or reprisals against populations or innocent persons in another State or acquiescing in organized activities within their own territory directed towards the commission of such acts;

6. to pursue efforts to study and eliminate the causes of violence and to find solutions to social, economic and political problems which may be used as a pretext for the above-mentioned acts;

Nothing in this Resolution shall be interpreted as affecting the right of peoples under colonial domination or under foreign occupation to struggle for their liberation according to international law.

IV

THE FIGHT AGAINST DRUG ABUSE: INTERNATIONAL SYSTEM OF CONTROL; SUPPRESSION OF ILLICIT TRAFFIC; PREVENTION, TREATMENT AND SOCIAL REHABILITATION

The 60th Inter-Parliamentary Conference,

Recognizing the epidemic proportions which the abuse of drugs and psychotropic substances (dependence-producing substances) has assumed in the international community,

Recognizing also the destructive effect of drugs on the youth of many countries, the broken homes and destroyed lives, the deaths, the physical and mental suffering, as well as the social and individual loss caused by the abuse of dependence-producing substances,

Recognizing that the problem of the abuse of dependence-producing substances is international in scope and demands that national measures be supplemented by international co-operation in order to achieve international solutions,

Recognizing that the international problem of the abuse of dependence-producing substances must be attacked within each affected nation at the levels of cultivation, manufacture, traffic and sale of these substances, as well as at the consumer level,

Recognizing that significant steps, both on the national and international levels, have already been taken to deal with the abuse of dependence-producing substances, but that an increased international commitment and more complete international co-operation are necessary to solve this problem,

1. Appeals to the Parliaments of all nations to exert influence on their respective Governments so that they:

(a) Contribute to the United Nations Drug Abuse Control Fund on a continuing basis;

(b) Ratify the Convention on Psychotropic Substances, signed at Vienna on February 21, 1971, and the Amending Protocol to the Single Convention (New York, 1961) so that these two agreements may enter into force at the earliest possible date;

(c) Apply the significant measures which have already been taken by various nations and international organizations in dealing with the international drug problem;

(d) Take appropriate measures which will:

(i) Limit the illicit cultivation of plants yielding dependence-producing substances to legitimate medical and scientific requirements and, in order to achieve this objective, substitute their cultivation, if necessary, so that farmers may receive income from other sources;

(ii) Attack the illicit manufacture of harmful drugs through enlarged narcotics police forces, through increased surveillance of drug transactions and through a determined effort to locate and destroy processing laboratories;

(iii) Attack the illicit traffic of harmful drugs through increasing the customs control within each country, through an intensified examination of passengers, baggage, mail and cargo, through co-

operation between the customs services of all nations;

(iv) Attack the consumer aspect of the drug problem by dealing with the social causes of drug addiction through welfare programmes directed particularly towards young people and other exposed groups in society, and by considering how best to educate the public and, in particular, youth on the dangers of the abuse of dependence-producing substances;

(v) Promote further scientific research in the medico-social field, with a particular bearing on drug addiction;

(vi) Envisage the setting up of Regional Centres of supervision and control;

(e) Share technical knowledge for detecting illicit harmful drugs and dealing with the international drug problem by intensive exchange programmes and periodic meetings, as well as methods of prevention and treatment of drug addiction, and by methods for assisting rehabilitation;

2. Appeals to the Parliaments of all nations to take the initiative to enact legislation which would impose very heavy penalties on those persons convicted of trafficking in illicit harmful substances.

V

MODERN FORMS OF VOCATIONAL TRAINING IN RELATION TO EMPLOYMENT

The 60th Inter-Parliamentary Conference,

Considering the objective of supplying the peoples of all countries with an economic activity, irrespective of their economic development, and of enabling them thereby to live a creative and self-directed life,

Considering the rapid changes due to technical development which will, in turn, require an increased mobility as regards human resources, which calls for financial assistance from public authorities,

Considering the difficulties noted in many countries in providing reliable data on the active population with a view to future requirements of the labour market in the various regions and various economic sectors,

Aware of the various training and upgrading training systems in the States represented in the Inter-Parliamentary Union which are often based on long-standing and constantly reviewed experiences,

1. Recommends as common principles for the training and upgrading training of

(a) Young People

—to consider the vocational training of young people following general school education—provided either as a special part of secondary education or as separate training—as a training process on an equal level with general school education;

—to take into account, already during general education, this second stage of education by appropriate teaching programmes meeting economic and social necessities, i.e., schemes adapted to agricultural, technical, commercial or social professions;

—to provide, already in general schools but, in any event, before the training itself, a continuous guidance system in order to open the way for young people to professions corresponding to their capacities and, at the same time, to the requirements of the labour market;

—to formulate training in the broadest possible way in order to facilitate changes in economic development and voluntary reorientation by the trainee; training programmes should include necessary technical skills and take account of the economic aspects, social implications and problems of employment (team work); different stages of training, each self-contained and allowing access to work, should be created; there should be a polyvalent basic training including different branches of further training (e.g. in the training of metal workers) and specialized training according to the modular system;

—to secure technical vocational training in addition to general education in the following subjects: national language, mathematics, geography, history and civic education;

—to guarantee that training be, as far as possible, open horizontally and vertically in order to facilitate the transition to adjacent training possibilities and also to allow access to university, either directly or after some years of professional experience;

—to see to it that general and vocational education, which are similar as regards their level and duration, will lead, by various paths, to more or less equal living conditions and social standing;

—to establish a link between training and the exercise of the profession, irrespective of the institutions by which training is provided, i.e., by schools or by appropriate enterprises or in a dual system (day-release or bloc-release system) with a view to securing a smooth transition from education to training and to employment;

—to ensure close co-operation between the different branches of public administration (education and labour) and the organizations involved in the working process (trade unions, employers' organizations) in order to take into account the multiple aspects of training and to achieve the necessary flexibility according to the requirements of the economy;

—to increase the budget allocations of States for the development of school education and vocational training in conformity with the programmes of economic development of the country;

—to create the conditions in which every citizen having received vocational training is employed;

(b) Adults

—to enable those adults who had had no training or insufficient training to take up an employment by means of

—short courses

—upgrading courses

—long-term training courses;

—to orientate training towards possible activities in order to secure its application (functional training of adults);

—to guarantee also, with regard to the training of adults, co-operation between the different branches of the administration and free organizations;

—to offer adults of all ages possibilities of intensive professional training and upgrading training;

(c) Handicapped Persons

—to create special work programmes for handicapped persons and to establish protected workshops for them;

2. Recommends that

—particular consideration be given to the technical vocational training and upgrading training of teachers, whether provided by schools or by appropriate enterprises, so as to make sure that they are always sufficiently qualified to meet modern challenges;

—"curriculum-research" be extended to teaching programmes and books designed for vocational training;

—existing research on the labour market be promoted and intensified in order to safeguard vocational training according to future requirements and to eliminate misplanning;

—vocational training be provided for all sectors of the economy and in close co-operation with regional planning and environment protection;

—in this connection, an assurance be provided for the expected number of persons of employable age to be taken into consideration in view of economic planning—preference to be given either to capital intensive or labour-intensive enterprises;

—beyond national developments, international developments involving possible changes and dislocations of manufacturing branches be observed closely.

VI

PROBLEMS OF THE HUMAN ENVIRONMENT

The 60th Inter-Parliamentary Conference,

Recalling the Resolution on the "Role of Parliaments in the Protection of the Human Environment and Conservation of Natural Resources for Future Generations", adopted in New Delhi in 1969 by the 57th Inter-Parliamentary Conference, and also the Resolution on "Peaceful Uses of the Sea-Bed, the Ocean Floor and the Subsoil Thereof", adopted in The Hague in 1970 by the 58th Inter-Parliamentary Conference, as well as the study of environmental problems by the Educational, Scientific and Cultural Committee in 1971 and 1972,

Recognizing that the world on which all human life depends is indeed "Only One Earth," consisting of a complete ecosystem contained within the biosphere of this planet and that the health of the entire system can be affected by imbalances in any part of it,

Recognizing also that man's interventions in this system have reached a point where they are the principal determinants of its health,

Welcoming the initiative of the UN General Assembly in convening the United Nations Conference on the Human Environment in Stockholm from June 5 to 16, 1972, and stressing the importance of the recommendations of that first international conference covering a broad field of subjects vital to the survival of mankind in conditions of health and dignity,

Stressing further the need to continue the study of environmental problems at all levels,

Calling upon the Inter-Parliamentary Groups to urge their respective Parliaments and Governments to give effect, wherever possible and after their approval by the XXVIIth session of the UN General Assembly, to the Declaration and Recommendations of the United Nations Conference on the Human Environment,

Adopts the following recommendations:

A

Recognizing that States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction,

1. Urges the Inter-Parliamentary Groups to encourage their respective Parliaments and Governments to take measures, both on the national and international level, to develop further international environmental law;

2. Calls upon the Inter-Parliamentary Groups to take steps to initiate regional co-operation between national Governments in order to avoid further deterioration of the environment in specific regions.

B

Recognizing that the quality of the atmosphere and the oceans and other bodies of water is being seriously impaired by the effects of industrialization and the accidental or deliberate discharge of wastes,

Considering that the high seas beyond national jurisdiction and outer space must be used for the benefit of all nations,

1. Calls for early action on the international level through the appropriate agencies to preserve and, where necessary, improve the quality of the atmosphere and oceans and other bodies of water;

2. States that the exploitation of the natural resources of the high seas and the sea-bed beyond national jurisdiction should be regulated by international law and for the benefit of all peoples;

3. Urges the Inter-Parliamentary Groups to encourage their respective Parliaments and Governments to contribute actively to the establishment of the global system of monitoring and surveillance which would provide early indications of impairment of the atmosphere and oceans and other bodies of water and of any increase in concentrations of harmful substances.

C

Recognizing that the accelerated development of the developing nations is essential to the elimination of poverty and environmental deficiences generated by the conditions of under-development and natural disasters,

Stressing the need for these nations to give close attention to the environmental hazards which may not be evi-

dent at the commencement of development projects and to take appropriate preventive measures where necessary,

1. Calls upon the developed nations to incorporate safeguards for the improvement of the human environment in their financial and technological assistance to developing countries;

2. Calls upon the developed countries to intensify efforts to ensure stabilized prices for, and adequate earnings from, primary commodities and raw materials from the developing countries since environmental management has to be taken into account, together with economic factors and ecological processes;

3. Calls for the developing nations, in formulating development strategies to combat poverty, to take all appropriate measures to preserve their environment.

D

Recognizing that the use of the world's resources by the developed nations has increased many times during the past decades and aware that the demand may exceed the supply in the case of some resources,

1. Calls for the establishment of plans on the international level for the preservation and careful exploitation of, and access to, natural resources by all developed and developing nations with full respect for national sovereignty;

2. Urges the developed nations to adopt economic and consumption patterns to improve upon existing patterns of growth which are not compatible with sound environmental management and are likely to exceed the available potential of the world's resources;

3. Calls for increased research into new, low-cost technologies designed to diminish excessive consumption and to eliminate industrial pollution;

4. Recommends that these new patterns and technologies should not hinder the development process of the developing nations or impair their trade.

E

Stressing the importance of maintaining and preserving the natural resources of the earth, including the air, water, land, flora and fauna, and especially representative samples of natural ecosystems,

1. Calls for all necessary measures to be taken for planning and managing these important elements of man's environment so that they will be safeguarded for the benefit of present and future generations;

2. Calls for international recognition and protection of areas of natural or cultural heritage of universal significance and early completion of a convention on export, import and transit of endangered species of wild animals and plants in order to protect them from overexploitation or extinction;

3. Recommends that similar criteria be accepted for the protection of the environment and for the penalization of offenders.

F

Stressing the fact that urbanization has reached alarming dimensions that are detrimental to the quality of human life and that the situation is continuing to deteriorate,

1. Calls for the careful planning of human settlements and urbanization so as to avoid adverse effects on the human environment;

2. Recommends the adoption of suitable policies to improve conditions in rural areas regarding all adequate measures in order to discourage the migration of people to the already overcrowded cities.

G

Aware of the need for Governments and the mass media to provide citizens in their respective countries with information on all aspects of environmental management,

Calls upon the Inter-Parliamentary Groups to encourage and develop information in their respective countries, particularly through the mass media, concerning activities designed to promote education, increased public awareness and general participation relating to environmental actions and programmes, more especially in respect of June 5, which the XXVIIth session of the General Assembly of the United Nations will be asked to designate as "World Environment Day".

H

Convinced that man and his environment must be spared the effects of nuclear weapons and all other weapons of mass destruction,

Recognizing the views expressed at the United Nations Conference on the Human Environment concerning the environmental threat posed by weapons of mass destruction and other weapons as well,

Calls upon States to strive to reach prompt agreement, in the relevant international organs, on the elimination and complete destruction of such weapons.

I

Aware of the important role of the Inter-Parliamentary Groups in contributing to the implementation of international juridical instruments,

1. Calls upon the Inter-Parliamentary Groups to take action within their respective Parliaments for the speedy ratification, following their approval by the UN General Assembly or the relevant bodies of other international organizations, of conventions which further the recommendations of the United Nations Conference on the Human Environment, and to keep the Bureau informed of the action taken and the results obtained;

2. Instructs the Inter-Parliamentary Bureau to communicate such conventions to all Inter-Parliamentary Groups at the appropriate time;

3. Requests the Inter-Parliamentary Groups to make suggestions and proposals for international regulations concerning the environment and asks the Secretary

General of the Union to report on this matter to the 61st Inter-Parliamentary Conference;

4. Requests the Secretary General of the Union to co-operate closely with the United Nations on environmental matters.

VII

STATUS AND PROSPECTS OF EDUCATION IN THE DEVELOPING COUNTRIES, WITH PARTICULAR REFERENCE TO THE TRAINING OF MIDDLE AND HIGH LEVEL TECHNICAL PERSONNEL

The 60th Inter-Parliamentary Conference,

Considering that the right to education is an imperative necessity based on the profound aspiration of the peoples of developing countries and that this right is an irreversible aspect of the vast democratization movement which the Inter-Parliamentary Union endeavours to promote,

Considering that the development of education should allow the peoples of all countries to become better integrated in their society by making them capable of contributing to the evolution of that society and by preparing them to assume responsibilities,

Considering that the development of education, source of human development, is also a source of national wealth which conditions the economic and social progress of these countries without which they could not play their part in world affairs,

Considering that economic growth and social development are largely dependent on adequate preparation for active life, which preparation is ensured by schools and other traditional and new out-of-school institutions, particularly by technical and vocational training,

Considering that such development of education must respect national values and circumstances and, while benefiting from the experience of others, follow patterns suited to the needs of the country in question.

Considering that there is a risk that the financial resources already assigned to education might reach a critical level in most of the developing countries; that educational costs are continually increasing and that, for this reason, the danger of a limitation of educational development will affect many countries in the relatively near future,

Aware of the pressing need to take concrete measures aimed at improving the status and prospects of education, training and employment of middle and high level technical personnel in the developing countries,

Urges the National Groups to make their public opinion conscious of the need for more active solidarity with the developing countries, and to bring their influence to bear upon their respective Parliaments and Governments so that

(a) increasing assistance be given to the development of education in the less developed countries, within or beyond the framework of the Second Development Decade, and that, in these countries, the national resources be more intensively mobilized in view of constructive efforts to develop and improve the training and employment of technical personnel;

(b) such assistance conform to the national development patterns of the recipient countries by allowing the setting up of educational structures, school and out-of-school programmes, and educational techniques which correspond to the national interests and objectives;

(c) such bilateral or multilateral assistance form an integral part of concerted development programmes, defined in advance by the Governments concerned, thus ensuring maximum impact and avoiding dispersal and wastage;

(d) such assistance contribute, more than in the past, to the need to renew the educational systems, to adapting them to the requirements of economic and social development, to increasing their efficiency and to linking them with employment problems;

(e) systems of education and educational research in the more developed countries be reorganized where necessary in ways which will improve the quality of their contribution to the renewal and development of educational systems in the developing countries;

(f) educational and training factors be included, at the request of the countries concerned, as an integral part of every economic and social development project supported by external aid in order that the nationals may take over rapidly;

(g) the experience acquired by Unesco, FAO, ILO and other Specialized Agencies of the United Nations in the field of education and vocational training be resorted to whenever possible;

(h) the implementation of the following international instruments in the field of education be accelerated in their respective countries:

—Recommendations adopted by Unesco and by the International Labour Organization concerning the status of the teaching profession (1966);

—Unesco Convention on the Fight against Discrimination in Education;

(i) the developed countries rendering assistance take active steps to inform public opinion in their own countries of the mutual benefit to be obtained from international education and training programmes.

THE SENATE

Thursday, March 15, 1973

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

Prayers

THE HONOURABLE JOHN B. AIRD

FELICITATIONS ON APPOINTMENT AS MEMBER OF COMMITTEE OF NINE

Hon. Leopold Langlois: Honourable senators, it is with great pleasure that I announce to you the appointment of one of our members, the Honourable Senator John B. Aird, to the renowned Committee of Nine.

This committee is composed of some of the most prominent European and North American statesmen: Lord Harlech of the United Kingdom, Senator Manlio Brosio of Italy, Senator Jacob Javits of the United States, and others.

The task before Senator Aird and the other members of this internationally composed committee is of vital importance to us all, as is their mandate which is to conduct a major reassessment of the political, social, economic and interparliamentary relations between Western Europe and North America.

As you are all aware, in 1971 Senator Aird was named Chairman of the Canadian Section of the Canada-United States Permanent Joint Board of Defence. Since 1968 he has served as Chairman of the Standing Senate Committee on Foreign Affairs. I am certain that the abilities which he has displayed will prove invaluable to the task which he and his colleagues on the Committee of Nine have undertaken to perform.

This year the Committee of Nine will offer its findings and recommendations regarding questions in international commercial and monetary affairs, arms control and security measures in Europe as well as for new political institutions and approaches in American-European relations.

Senator Aird would seem to us eminently qualified to succeed his illustrious Canadian predecessor on the Committee of Nine, the late Lester B. Pearson.

Hon. Senators: Hear, hear.

Hon. Jacques Flynn: Honourable senators, on behalf of the Official Opposition, and perhaps I should say on behalf of all those who do not support the government, I should like to join with Senator Langlois in extending to Senator Aird our most heartfelt congratulations. The Committee of Nine is a very prestigious body; it is a group of eminently well-qualified men who are doing highly commendable work. The ties between Western Europe and the Americas must be kept strong, and it is bodies such as the Committee of Nine which will see to it that this is done, and done in such a way as to ensure that everyone benefits.

I am glad to see the committee have asked our colleague to join them. Senator Aird will bring to that body a wealth of knowledge and experience. He has been Chairman of the Foreign Affairs Committee since 1968 and has been an outstanding success in that post. We are sure he will be an asset to the committee, that he will contribute far more than the present members expect, and that he will give us, as usual, very good reason to be proud of him. His predecessor in the post was the late Lester B. Pearson, so Senator Aird has large shoes to fill. But we, on this side, are convinced that he will do an outstanding job of it.

• (1410)

Hon. John B. Aird: Honourable senators, I shall not keep you long. I do not wish to be guilty of either false pride or false humility, but I do wish to acknowledge, to Senator Langlois and to Senator Flynn, my sincere thanks for their remarks concerning the Committee of Nine. I should also like to thank all honourable senators for the tribute paid me. It means a great deal for me to know that I have the support of members on both sides of this house. It also means a great deal to me to have been Chairman of your Standing Senate Committee on Foreign Affairs, and I can say in all sincerity that whatever modest success we may have had in that committee is due to the members of that committee, of which I just happen to be chairman. Obviously it is self-evident that no one in Canada is equipped to step into the shoes of my great friend, the late Lester Pearson. I would never attempt to do so. But perhaps it is my own recognition of his great stature, not only in the eyes of Canadians but in the eyes of the people of the world, that will enable me, with God's help, to do a better job.

VIETNAM

SENATOR DONALD CAMERON ACCOMPANYING SECRETARY OF STATE FOR EXTERNAL AFFAIRS ON VISIT

Hon. Leopold Langlois: Honourable senators, as I am sure you already know, the government has sent a bipartisan group to Vietnam, led by the Secretary of State for External Affairs, to make a first-hand assessment of Canadian involvement in Indochina. The Leader of the Government in this place has insisted that this bipartisan representation be extended to include the Senate, and therefore Senator Donald Cameron has been appointed to this delegation to represent the Senate in the absence of the Leader of the Government in the Senate.

The mission will enable its participants to make their own inquiry as to the effectiveness of the International Commission of Control and Supervision in Vietnam, and the International Commission for Supervision and Control in Laos, as well as the usefulness of Canadian participation. To this end, Senator Cameron, along with the

other members, will be meeting with a wide range of people in the Republic of Viet-Nam, the Democratic Republic of Vietnam, and Laos on these questions.

Hon. Jacques Flynn: Honourable senators, I am pleased that Senator Cameron has gone to Vietnam with the Secretary of State for External Affairs, the Honourable Mitchell Sharp, but I have not much to say in respect to this trip at this time. I would not like to compromise myself as to the usefulness of this delegation, or of this trip. I do not think the delegation will learn very much in the few days that it will spend out there. As far as Parliament is concerned, I am convinced it would have been far better to bring back the ambassador, the Honourable Mr. Gauvin, and Major General McAlpine. They could have appeared before the External Affairs Committee of each house, and all of us could have heard first hand what they had to say. Further, we could have quizzed them ourselves. As it is, we will have to rely on the report brought back by the delegation. We will see it and be able to judge, but I doubt very much if it will be unanimous. In any event, as I said when Senator Martin announced that we were to participate in the enforcement of the truce in Vietnam, I think we have to be very careful and reserve judgment for a later date.

I am not too sure if I heard the acting leader correctly when he said that Senator Cameron was replacing the Leader of the Government on that delegation. I would have been very surprised had Senator Martin accepted to play second fiddle to the Honourable Mitchell Sharp.

Hon. Mr. Langlois: I said in Senator Martin's absence, not that he was replacing him.

Hon. Mr. Flynn: I just can't see Senator Martin and Mr. Sharp on the same delegation.

Hon. Mr. Langlois: Why not? It is a big enough aircraft for both of them.

Hon. Mr. Flynn: I raised Senator Martin's name just to give Senator Langlois the opportunity to tell the Senate how Senator Martin is. I know that he is feeling a little better, because I talked with him today, but maybe Senator Langlois could bring other senators up to date on the state of his health and join me in wishing him well—

Some Hon. Senators: Hear, hear.

Hon. Mr. Flynn: —and could suggest to him that he take ample time to rest and come back only after Easter, because I do not think that there will be anything very pressing until then.

Hon. Mr. Langlois: Honourable senators, on behalf of Senator Martin, I thank the Leader of the Opposition for his good wishes. I am pleased to inform this house that yesterday afternoon, together with my friend Senator Molgat, I paid a visit to Senator Martin, who is recovering quite satisfactorily. I am afraid, however, his absence from this place will be a matter of a number of weeks and probably he will not be able to return until after the Easter recess.

I am sure that the good wishes which have been expressed today on your behalf by Senator Flynn will enable him to recover more rapidly.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of Press Communiqué of the Council of Finance Ministers of the European Economic Community, held in Brussels, Belgium, March 11, 1973.

Copies of Press Communiqué of the Ministerial Meeting of the Group of Ten and of the European Economic Community, held at Paris, France, March 9, 1973.

Statement covering expenses incurred by the Special Joint Committee of the Senate and House of Commons on Consumer Credit and Cost of Living, requested by the Honourable Senator Flynn, P.C., on February 15, 1973.

ADJOURNMENT

Hon. Leopold Langlois: Honourable senators, I move, seconded by Senator Molgat, with leave of the Senate and notwithstanding rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday next, March 20, 1973, at 8 o'clock in the evening.

Motion agreed to.

ST. PATRICK'S DAY

TRIBUTES TO THE IRISH

Hon. Lionel Choquette: Honourable senators, before the Orders of the Day are called, I notice that no good Irishman here is giving a St. Patrick's Day speech. Far be it for me to be called today O'Choquette, but I would like on this occasion to read into the record something nice that was said of the Irish troops keeping the peace in Cyprus.

Last Christmas and New Year's I visited my daughter who was in Izmir, Turkey, for a period of three years. On my way back I stopped on the Island of Cyprus, where I familiarized myself with the different troops that are there to keep the peace. There are the British, the Swedes, the Finnish and the Canadian troops.

I was received with open arms by one of our Canadian colonels, Colonel Beattie, an Ottawa boy, who showed me the island and who briefed me on the duties that are carried out. I told him at the time that some seven or eight years ago when Canada decided to send Canadian troops to help keep the peace, Irish troops were also being sent at about the same time. I told him that one of our well-known senators, Senator Horner, got up and said, "I have no objection in seeing Canadian troops sent there, but I doubt very much the wisdom of Irishmen being sent anywhere in the world to keep the peace." After telling Colonel Beattie about this I asked him how the Irish troops were doing. His reply was, "Well, this afternoon we are going to take a walk around the main streets of Nicosia and I think I can enlighten you on that." On the walk we came across a book store and he produced to me a book written by a brigadier who had been two years on the island, a chap by the name of Michael Harbottle. The title of the book was *The Impartial Soldier,* and he marked for me something in this book regarding the work that the Irish troops were doing.

I think this is a particularly opportune time, in view of the news we have been getting over the last few years regarding the strife, the battles and the killings that are taking place every day in Ulster, and also because it is two days before St. Patrick's Day, to read into *Hansard* what was said by this English brigadier regarding the Irish troops. I am reading from page 123 of this book entitled *The Impartial Soldier* by Michael Harbottle:

> Bearing the brunt of peacekeeping in these confrontation areas are the Canadians and Irish—so different in many ways but alike in so many others. Like Sweden, Canada has provided peacekeepers in practically every one of the UN operations so far, either in the form of contingents or as observers on some truce mission or other. They study the problem of the peacekeeper at their Staff College and hold exercises and study periods for units destined for UN operations. Their interest does not only rest there, for they also carry out contingency planning in the event of their being asked to provide a contingent for a peacekeeping task force of the future. Not surprisingly in view of their wide experience, they take peacekeeping very seriously and have extremely strong ideas on how it should be carried out. It has been said that ex-Premier Lester Pearson, when his country's permanent representative at the United Nations, was the real architect of the peacekeeping conception—at least he was one of its earliest champions.

And at page 129, again dealing with the Irish troops, the same author says this:

> I found having the Irish in the Force a most refreshing experience. It may sound 'oirish' to describe them as being eminently suitable as peacekeepers, but I believe that at least those that I came to know so well will not mind my saying so. As born 'rebels' (some might say that they are the origin of the species) they understand the rebel's mind, and can therefore with their gaelic logic and leprechaun charm talk anybody out of doing anything—and that is a very important asset in peacekeeping. I always enjoyed my visits to them, not only because of the Irish coffee (Irish whiskey with a touch of coffee and cream) I had at every stop, but because they were very good at their job.

• (1420)

The same author concludes this chapter on the Irish peacekeeping force in a way that I think is apropos because of the situation that now exists in Ireland. He concludes with these words:

> Irish traditional hospitality and wry sense of humour were never missing for long. They gave to the Force that blend of lightheartedness and goodwill which is so valuable in a community of such diverse origins. They never hesitated to take the Mickey out of all and sundry—but always with that inimitable smile hovering behind the eyes. I doubt if there ever will be a United Nations Peacekeeping Force without the smiling Irishmen.

Hon. Senators: Hear, hear.

Hon. Leopold Langlois: Honourable senators, my wife, as a good Irish girl, will never forgive me for having let Senator Choquette beat me to the gun in offering his good wishes to our fellow compatriots of Irish extraction on the eve of St. Patrick's Day.

When my honourable friend referred to himself as "O'Choquette" it reminded me of the last war when my ship used to call at Londonderry, our base port on the other side of the ocean, when we were on escort duty. In my limited travels in Northern Ireland, whenever I approached the border of Southern Ireland, my name suddenly changed to "O'Langlois," and I even managed to slip across the border under that false name on a few occasions.

I agree with everything Senator Choquette has said in offering our best wishes to our Irish compatriots on this occasion. I am reminded by his words of what a good Gaspé Irishman—it was not Senator O'Leary in this case—once told me. He said, "In Cyprus the Irish are doing a swell job because they are setting a good example. There is so much fighting going on amongst themselves that they are setting an example to the others not to fight amongst themselves."

Joking aside, I am pleased to join with my honourable friend in extending our best wishes to our Irish compatriots on St. Patrick's Day.

Hon. Josie D. Quart: Honourable senators, I am disappointed that nobody of Irish extraction has spoken on this day. What about the "O'Connollys," the "O'Flynns" and the O'Learys?

Hon. Mr. Flynn: And the "O'Martins."

Hon. Mrs. Quart: And all the rest of the "O's." I should like to relate something about our dear friend Senator Chubby Power, whom we all loved. You all know how he stuck up for the Irish. I can remember a dinner party which I had for Chubby, one of the last that he accepted before he passed on. This is the wish on the St. Patrick's Day card that he sent to me, and I think it would be a very good wish to extend to all honourable senators, in my own name and probably in dear Chubby's name:

> May St. Patrick hide you in the hollow of his hand
> So that the devil can't find you.

That is my wish for you.

THE SENATE

MAPS OF CANADA FOR SENATORS' DESKS—QUESTION

Hon. A. E. Haddon Heath: Honourable senators, I should like to ask a question of the Leader of the Government in the Senate. I am sorry that I have not given him notice of it. Perhaps he will give some thought to, or the benefit of his ideas on, having a map of Canada placed in our desks. I must confess that I sometimes find myself at a loss because of not quite knowing the distant parts of the country about which we happen to be talking, particularly during a debate such as we had yesterday on transport. I am afraid I am not as familiar with my own province, particularly the northerly parts of it, as I should be. Perhaps the Leader of the Government could give us the benefit of his thoughts on this idea, or at least give it some consideration if it meets with his approval.

Hon. Mr. Langlois: I should be pleased to do my best to comply with the wishes of the Honourable Senator Heath.

I should like to know whether she is referring to a map representing the electoral districts of Canada or an ordinary map.

Hon. Mrs. Heath: I was thinking of an ordinary geographical type map rather than an electoral map.

Hon. Mr. Flynn: That could be included in the recommendations for the reform of the Senate.

Hon. Mr. Langlois: You should ask Senator Croll about that. I do not think he will have any objection.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Tuesday, February 20, the adjourned debate on the motion of Senator Cameron for the second reading of Bill S-2, to amend the Criminal Code (control of weapons and firearms).

Hon. Keith Davey: Honourable senators, I should like to discuss with you some of the reasons why I intend to support Bill S-2. I propose to begin by congratulating Senator Cameron, not only on an excellent speech but on what I regard as a very useful Senate initiative. His suggestion that we give the bill second reading and then send it to the appropriate committee for detailed study is also an excellent suggestion.

Hopefully, we will achieve at least two minimal objectives in all of this, first, to tighten the restriction on the sale of rifles and shotguns and, secondly, the complete elimination of all look-alike toys made in exact imitation of real handguns.

In the report of Senate Committee on Mass Media, in discussing American-Canadian relationships, we said that for all our similarities, for all our friendships, for all our sharing, we are somebody else. Sometimes the difference between Americans and Canadians is extremely subtle. There could be no better example of this difference, however, than in our attitude to guns and in the relatively minimal role guns have played in our own political history. There is no Canadian parallel for the American constitutional right to bear firearms, nor as Canadians have we found it necessary to resort overwhelmingly to guns for internal domestic purposes. No parallel is to be found here for either the American Revolution or the American Civil War. If we had an untamed frontier, we still did not have a wild west in the best shoot-em-up Dodge City tradition. In short, Canadians have been devoid of any sort of gun mystique.

I should like to read an excerpt from a speech by Mr. Roy A. Matthews of the Economic Development Research Centre at the University of Montreal, when speaking to the Boston Committee on Foreign Relations. He said:

> One of the principal factors in the upsurge in nationalist spirit in Canada in recent years derives from a realization that there are, beneath the surface, similarities, some profound differences between the cultures (using that word in the broadest sense) of Canada and the United States, and that these differences are such as to make for a strong case for preserving Canadian society, at the moment, from closer integration into a predominantly U.S.-influenced "continental" system. I refer to the really startling discrepancies as between the two countries in the incidence of murder and violence of all kinds, civil strife, robbery and similar crimes, divorce, drug addiction and just about every other symptom of social neurosis that is evident nowadays.

• (1430)

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, Windsor, Ontario, 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.

Senator Cameron made a very compelling presentation in this chamber when he proposed this bill. Some of his statistics in support of his various arguments were not only startling but, for me at least, were convincing. For example, 200,000 more Americans were killed by guns in continental United States just since 1900 than have been killed in all the wars that America has engaged in from the American Revolution up to and including the Vietnam war. Imagine that! And then, secondly, throughout the world it is very obvious that the fewer gun restrictions there are the higher the homicide rate per 100,000. Thus, the figure in the United States is 4.2—eight times as large as the figure here in Canada and 50 times the figure in the United Kingdom, which has gun restrictions which are perhaps the most copied model in the free world.

The Presidential Committee on Violence in the United States, 1969, estimated that there were more than 90 million firearms throughout America. The committee estimated that more than half of the 60 million households in the United States had firearms. More recently, of

course, we heard Senator Ted Kennedy estimate that there were more firearms in the United States than there are people. Little wonder, honourable senators, that by March of just one year ago a Gallup Poll reported that 71 per cent of Americans favoured tighter gun laws. And so one day soon, hopefully, American legislators may finally decide to stand up to the much vaunted Washington gun lobby and enact some kind of minimum safeguards. But whether that happens or not, the time has surely come to further protect our own Canadian citizens, our own Canadian police.

Incidentally, it is very difficult to determine exactly how many handguns and rifles and shotguns there are in Canada. From the preliminary work I have been able to do on it, likely there are more than half a million handguns and probably more than five million rifles and shotguns in this country.

The *Globe and Mail* editorialized on this matter on February 28. It had this to say:

> We hope, as a minimum, Ottawa will insist that all guns be registered, whether they be sporting rifles, shotguns or even carbon-dioxide airguns, and whether their owners are farmers, hunters or members of a rifle or pistol club. We would like to see the regulations go further. Permits should not be issued for any gun until a person could prove ability in gun care and handling. Members of handgun clubs should be limited to low-velocity-ammunition target pistols. The applicants for a gun permit should be interviewed to assess the need for a gun.

More recently, John F. Donnelly, a free-lance writer from Burlington, Ontario, writing in the Toronto *Star*, went much further. He said:

> We no longer need guns to protect our homes and families. Even hunting, somehow regretfully, seems to have become a thing of the past. It couldn't be extended to the whole of the population and for the few who still hunt, we are faced with the extinction of species of wildlife, the lack of suitable hunting grounds near populated areas and the instinctive dislike of useless killing which has affected the most determined hunter.
>
> The outcry of rifle, gun and hunting clubs and associations to the contrary, there is really no place in modern urban society for firearms. It is too easy to kill when there is a rifle or gun at hand.

As he has done so frequently since joining us in this chamber, Senator Manning made an intriguing as well as useful contribution to this debate. He cogently described why he is opposed to this bill and in essence and, I hope, in fairness—in essence and in fairness—he suggested that any restrictions would simply be—I believe I am quoting him correctly—"added irritation to the citizenry" and "smothering people with government regulations".

I thought that the same *Globe and Mail* editorial of February 28 dealt rather effectively with that kind of argument. I quote again from that editorial:

> Manufacturers and gun enthusiasts, of course, are hostile to any further controls. Gun-makers' reasons are obvious—sales and profits are paramount considerations. But it is difficult to understand the opposition of the sports hunters. For the stable, bonafide hunter, registration would be a relatively simple procedure which, in the end result, contributes to his own enjoyment and safety—just as the driver-licencing laws and the laws against impaired driving tend to make the highways safer.

I think that Senator Cameron and Senator Manning, both senators from Alberta, will be interested to learn of a column which appeared in the Toronto *Star* last Saturday, a column written by James H. Gray, who some here will recognize as a prominent Alberta journalist who frequently writes in Canadian daily newspapers about Western Canada. I should like to quote just some of the things that Mr. Gray wrote. He said:

> Driving through the western states, one is struck by the frequency of the catchy, pro-gun-possession messages that dot the billboards. One of the most common, and the one now being used in Canada, reads:
>
> "The West was not won with registered guns! When guns are outlawed, only outlaws will have guns."
>
> A Calgary writer, paraphrasing the most popular American slogan, recently wrote: "Experienced lawmen realize that gun laws disarm only the people who do not break the law—not the criminals."
>
> A Calgary lawman on whom the slogan was tried would concede nothing of the kind. He insisted such a law assisted the police in two ways. Crime was probably prevented when they caught people in unlawful possession of guns. And when crimes involved guns, more severe sentences were imposed.

Later in the article Mr. Gray said:

> It is curious how Western Canadian gun advocates resort to American arguments to bolster their case. For example: "Washington, New York and Chicago all have severe restrictions against carrying firearms. They have soaring murder rates. South Dakota, Nebraska, and Minnesota have the most lenient gun laws and the lowest murder rates." That the comparison is between coconuts and chickens seems not to concern those who advance it.

Nor, honourable senators, is the American gun law without a Canadian thrust. One day soon I want to speak to you about the ongoing problem of American magazine overflow circulation into Canada. I am not referring to the special privileges enjoyed by *Time* and *Reader's Digest*. That is another problem which continues to vex some of us. Some of us continue to be strenuously opposed to that. I refer rather to a parallel problem: the incidence of American magazines with excessive circulation coming into Canada.

We gave a good example in the Senate committee on Mass Media of a statistic which is already out of date. I am sorry I have not brought the statistic up to date, but think of it: Canadians spend more money in a year purchasing *Playboy* than they do purchasing the 17 largest, highest circulation, home-grown Canadian consumer magazines added together. One of the worst examples of this overflow circulation is, of course, in American gun magazines like *Gun & Ammo, Hounds & Hunting, Shoot-*

ing Times, Field & Stream, Sports Afield, magazines that flow into Canada in the hundreds and thousands.

• (1440)

I have an example here of such a magazine, the March 1973 issue of *Guns.* I purchased this magazine last Saturday in a variety store in Don Mills in suburban Toronto. There were on the newsstand no fewer than four slick attractive-looking gun magazines, each one of them American, and each one absolutely jammed with gun lobby propaganda. Let me give you one or two examples from a column in this one called "Trigger Talk."

> There is, as you well know, an ever-increasing pressure being put on the hunters of this country. There are groups which purport to save all wild animals, only specific wild animals, or only those wild animals they classified as "endangered." These "nuts" really believe that if they stopped all hunting, these wild animals would be forever safe, and would flourish. Many of the people behind the current anti-hunting craze are the same ones who, not too many years ago were carrying the banner to outlaw firearms (to save the world from criminal destruction). It is not unlikely that they are the sons and daughters of those who cried out many years ago to "ban the booze." Every generation, it seems, has its share of idiotic do-gooders. It is not my intention to take a blast at them in this column; I am sure that every reader knows what fools they are.
>
> What I do want to point out is this: Make no mistakes about it, this is just another attempt to stop you and I from our enjoyment of firearms—

Then across from that there is a full-page advertisement from something called "Shooters Club of America," and I quote from that advertisement:

> If we can stop the passage of anti-gun laws on the local level, we will have won a major battle, and we will have notified our federal legislators that we intend to keep our right to enjoy firearms.

Further on in the magazine there is a page headed "Our Man in Washington," by Carl Wolff, from which I shall read the opening paragraph:

> Any time now, the Senate Juvenile Delinquency Subcommittee will start new anti-gun hearings. To be introduced is the most restrictive legislation ever.
>
> Chaired by Senator Birch Bayh (D., Ind.), the committee is a hotbed of anti-gun ownership views. Last Congress the cry was to get rid of the "Saturday Night Special" handguns. Only the cry wore a little thin when the nations' gunowners found out that "Saturday Night Specials" covered one-third of all handguns, including all single-action revolvers.

And on it goes. In the centre spread of some magazines these days you find beautiful women, but in the gun magazine you find the centre spread is an ugly rifle, the Omega III. Quoting further from the same magazine:

> The three presentation rifles are elaborately engraved and inlaid with gold and rubies. Company spokesmen said that the combined value of the three presentation rifles was $50,000.

And the rifles were presented to John Connally, to John Wayne and to some other hunter.

Just one more example from this magazine will suffice. It is a full-page advertisement by the ubiquitous National Rifle Association, and if you will just allow me to read one sentence from this advertisement, it goes as follows:

> It's time you stood up for the hunting and shooting heritage you, as an American, believe in.

I would like to repeat that:

> It's time you stood up for the hunting and shooting heritage you, as an American, believe in.

This is an American magazine, for Americans, purchased by Canadians at Canadian magazine counters. What really riles me is the pious approach of gun clubs and gun merchants. The rifle barrel, honourable senators, was invented for one purpose, to kill more efficiently, whether the prey be man or beast. It is unmitigated nonsense to claim that this is character building. Our law says it is okay to take your rifle into a snowy field and kill a limit of sparrows and sidehill mudhens, but many of us devoutly wish the sparrows and mudhens could shoot back.

At the risk of trying your patience, I have only one further quotation. I was reminded of it several times during this debate, most especially during Senator Manning's poignant description of life "home on the range, where seldom is heard a discouraging word," and, to quote the senator, "As soon as boys are old enough their fathers teach them how to shoot." What follows was written by Fred Annesley, a free-lance writer in Montreal. If it sounds at all familiar, then you may have heard it read a few weeks ago by Peter Gzowski on his program, "This Country in the Morning." Because I profoundly agree with the sentiment it expresses so well, I propose to conclude my own remarks with this quotation:

> Sometimes I really want to shout at these gun lobby people because they're always making so much noise about rights of the individual and conservation and so on that a poor bleeding heart finds himself drowned out. But what the hell can a poor bleeding heart shout—other than his conviction that guns are bad? Maybe it's just possible that a man who doesn't like guns could tell these gun people how he got to feel that way. Maybe they think gun-haters were born this way or something.
>
> As a boy I whiled away many a church sermon dreaming about the air rifle my uncle had promised to buy me. The very best time in the whole week for dreaming was the sermon part of the Sunday church service. The minister's rounded tones provided perfect insulation and the dreams took on more dimension when you were feeling good in clean clothes and clean skin.
>
> I didn't dream about shooting monsters or man-eating tigers or things like that because I found it more fun to dream about things that could, maybe, actually happen. Like hunting birds or rats. Or there was my favorite dream about bringing down a burglar on the stairs some night by hitting him with a pellet right between the eyes. A man might really go down if you hit him right between the eyes with a pellet.

This uncle of mine was a great one for quietly promising a child something and then carrying on about his work on the farm for weeks as if he had forgotten all about the promise. But I knew he never forgot. And I knew better than to ever bring the matter up. One day he just went into town and came back with little bits of foam at the corners of his mouth and a Daisy air rifle for me.

I rubbed nearly a whole can of three-in-one oil into the metal and wood of that gun that night.

Every day for a week I crept through the thick grass of the apple orchards trying to hit some living thing. I would squeeze the trigger, the way Buffalo Bill Cody said in a Western annual, and not pull it, and I would hold my breath before shooting. But the birds would fly off unhurt and I never even saw a rat. Sometimes the birds didn't even fly away.

By Sunday I came very close to asking God to do something about my aim, but it didn't seem right to do that.

The next day I shot up into the trees until nearly dinner time and not a thing came down. And then I spotted a little robin sitting on the hedge at the edge of the orchard.

He was just about level with my eyes and I knew I'd get him. He wasn't more than ten feet away. I aimed and I squeezed the trigger and the robin's beak disappeared. The bird fell to the grass with the reddest blood I have ever seen coming out of where its beak had been. I ran screaming to the house and hurled myself at my uncle's chair by the fire.

"Come quick, come quick, please. I shot a bird and it's not dead."

My uncle was forced into a trot as I dragged at his hand down through the orchard.

He stooped and picked up the bird with one hand and the discarded gun with the other. With a short stroke he rapped the bird's bloody head hard against the butt of the gun and he dropped the still lump of feathers into the muck ditch that ran from the hog pens. The bird sank under the slime.

• (1450)

My uncle told me not to get upset. "You wanted to hit one, didn't you?" That was the end of the hunting for me.

Later on I was put into uniform and taught how to shoot guns that would do a lot more harm than my air rifle. I was shown how to fire a revolver and a rifle and a sub-machinegun and a big machinegun. I never did have to fire at anybody. But I did enjoy blasting away on the shooting ranges.

A few years later in Alberta, for some reason I'm not too sure about, I bought an old .303 rifle and I used to take it out in the quiet fields near Leduc and shoot at trees and fence posts, but never at anything living. I liked the kick of the gun and the smell of the breech right after a shot. Poets have written about that smell. I still don't know what it is about that smell.

I was in Vancouver when they shot John F. Kennedy and after I began to come out of the trance I moved the gun out of the house and put it at the back of the garden shed. I'd long since lost the ammunition for it, but I didn't want the gun in the house anyhow. They shot a couple more people after that. People whose murders I really resented. People get murdered every day, but these particular murders really got to me. In a bar one night I was muttering about the little Jordanian. I was obsessed. I wanted that little Jordanian to know that he had no right to do that. I wanted to go to him and tell him that him and his damn pistol had no right to do that. My friend at the bar said I was getting too excited. I said that I wasn't nearly excited enough and that I was going home that night to smash my rifle into bits. "What's your rifle got to do with it?" he wanted to know. "It's not the guns. You get some strange ideas when you drink." "It's the guns," I shouted. "They have no earthly use. The only thing a gun can do is rip flesh and tissue and smash bones. What good is a gun?" I went home that night and went to the garden shed and tried to break the rifle. I thumped it off the workbench and it wouldn't break and finally I had to go to bed because I was waking up the neighbours.

It took Kent State to drive me out into the garden shed again. I just took the bolt out of the rifle and I threw the bolt into the ravine at the bottom of the garden. Then I called the Salvation Army, I had some old clothes and the rifle waiting when the Salvation Army van came around. "What do you want us to do with the gun," the driver asked.

"Just take it with you, please," I said. "It's no use. It was never any use."

On motion of Senator Molgat, debate adjourned.

NATIONAL FINANCE

COMMITTEE AUTHORIZED TO ENGAGE SERVICES

Hon. Leopold Langlois moved pursuant to notice:

That the Standing Senate Committee on National Finance be empowered to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purposes of its examination and consideration of such legislation and other matters as may be referred to it.

Motion agreed to.

The Senate adjourned until Tuesday, March 20, 1973, at 8 p.m.

THE SENATE

Tuesday, March 20, 1973

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

Prayers.

THE LATE SENATOR GORDON B. ISNOR

TRIBUTES

Hon. Leopold Langlois: Honourable senators, we were saddened to learn of the death on Saturday, in Halifax, of one of the senior and most esteemed members of this chamber, Senator Gordon B. Isnor.

He was a successful merchant and early in life he demonstrated a keen interest in public affairs, serving first as an alderman on the Halifax City Council and then as School Commissioner. Vitally interested in the affairs of his community, he successfully sponsored a measure to bring free books to the public schools of Nova Scotia. He was elected to the Nova Scotia Legislature in 1928 and re-elected in 1933. In the general election of 1935, he was elected to the House of Commons and re-elected in three successive elections. Senator Isnor was summoned to the Senate on May 2, 1950.

He served the Senate well and faithfully. Both this chamber and the committees on which he served benefited from his dedication and his breadth of experience.

I am sure that the tribute paid to Senator Isnor by the Leader of the Government in the Senate, from his home earlier this week, is one in which we will all wish to concur. Senator Martin said:

> Gordon Isnor was not only a long time participant in parliamentary life, but a dedicated public servant. While the range of Senator Isnor's interests were broad, no assignment was too small for his attention. It is not surprising, therefore, that during his lifetime he achieved much for both his beloved province and his country.

We shall miss him greatly and we sympathize in a deep and sincere way with his son Roy and his family, and we send to them our condolences.

Hon. Lionel Choquette: Honorable senators, we on this side are also profoundly grieved at the passing of this gentle, unassuming and friendly adversary.

Gordon Isnor was a man of talent. His contributions were many and varied. They encompassed many fields of activity.

He was a keen entrepreneur of exceptional ability—a man of vision, initiative, and resourcefulness. As haberdasher, realtor, and investment counsellor he was a resounding success. The fact that he was appointed Director of the Nova Scotia Light and Power Company and Governor of Dalhousie University demonstrates amply well the confidence that the people of Nova Scotia had in his administrative ability.

Gordon Isnor's biography will also record a lifetime of exemplary dedication to the service of others. He founded the Progressive Service Club and the Halifax School for the Blind. He served on the Halifax City Council and was Commissioner of Schools from 1920 to 1923.

His career in the Nova Scotia Legislature lasted seven years during which time he laboured arduously and tirelessly for the welfare of the people he represented. It was he who was responsible for providing free books to public schools in that province.

But his record of achievement and service goes beyond that still. It includes a period of 15 years in the House of Commons during which the people whom he represented could not have asked for a more efficient ombudsman.

No one could accomplish as much in one day as Gordon Isnor. He was a workhorse. He tackled responsibilities with the relish of a man happy in what he was doing. And the success which usually crowns such selfless efforts was his.

• (2010)

In 1950 he came to the Senate and up until quite recently, when ill health prevented it, he kept himself as busy as he had always been looking after the interests of the people he had represented so long and so well.

Gordon Isnor was a thoroughly likeable human being. There are not many of his kind. He was a man of virtue who leaves behind him nothing but friends. Even if you did not agree with his political philosophy, you could not help but admire his honesty, courage and integrity. He was a man of sterling character with qualities of mildness, warmth and solicitousness which endeared him to everyone.

Gordon Isnor did not set the world on fire. That was not his ambition. He wanted to make his little corner of this world a better place to live in. That he did—and did extraordinarily well. His life was a success, and that can be said of but very few men. The world is better for this fine man's having lived, and we are better men for having had the privilege of knowing and working with him.

On behalf of the leader and all the members of the Official Opposition, I should like to extend to his son Roy, and the Isnor family, our most heartfelt condolences.

Hon. Donald Smith: Honourable senators, I wish to say first, in making a few remarks with respect to the passing of a great friend of us all, that it is with a certain measure of sadness that I find myself now in the position of being the senior senator from the Province of Nova Scotia. Because of that, perhaps, I should also express my gratitude for being given this opportunity to say a few personal words about our departed friend.

I do not suppose anyone could have more friends in more places than did Gordon B. Isnor. This was simply because he himself was a friend to many, and he deserved

the many friendships he had made. The countless people who now mourn his passing represent all walks of life, from the humble and the poor to those who had reached high places in many parts of this country. He was kind and thoughtful to all, and helpful to a great number in many ways.

Honourable senators, I believe we have all realized over the years that we learn many lessons from those who have been privileged to travel life's highway before us. In a very personal way I wish to say that I shall always remember his helpful advice to me during my early days in the House of Commons, commencing in 1949. It was certainly fortunate for me and, indeed, it was profitable for those whom I represented, that we sailed the course of public life together for almost 25 years. I think most of us who knew him well also had reason to believe that he possessed a flair for, and an understanding of the need and value of, commercial publicity and advertising. He practised this with a unique professionalism all his commercial life, which started over 60 years ago. However, Gordon Isnor never sought to make the public aware of his private acts of kindness and charity. These things he did frequently, and with generosity and modesty. The metropolitan area of Halifax, where he was engaged in business, and Dartmouth, where he was born, are today better places because he worked all his life to help make them so.

The province of Nova Scotia and our nation were well served by Gordon B. Isnor throughout his many years of service in public and private life. I am sure all of us would wish to join in the expression of sympathy to his son and grandson, of whom I have reason to know he was very proud. We all share in the sorrow of his family who are left behind.

Hon. Fred M. Blois: Honourable senators, I agree with everything that has been said by the previous speakers. It is quite possible that I was Gordon Isnor's oldest friend in the Senate. We had been friends for well over 50 years. I knew him as one of the finest gentlement one could meet.

Shortly after I came to the Senate, in January 1960, he was commenting on something that I had said and he referred to the long friendship we had enjoyed over the years and, in doing so, paid me a very fine tribute. He said that we had been friends for between 40 and 45 years, that we were business friends, political friends and personal friends. I ask you, honourable senators, could anyone be paid a greater tribute?

I should like to repeat his words, because we did have a very fine friendship. Naturally we did not always agree on political issues, either in the Legislature of Nova Scotia or here. Yet he was the kind of man with whom one could sit down and talk. He was not terribly biased in his views, and he did not always agree with what his party did.

I consider him to have been one of my closest friends. Today, in Halifax, I had the honour of paying my respects to his family. As I shook hands with his son he said, "Oh yes, dad spoke about you many times." The grandson said, "Do you remember the time that granddad and I met you and had a talk?" Each one of the lady members of the family said, "Oh yes, Gordon spoke of you many times." I thought it was wonderful that I could meet with them and say a few words.

Gordon Isnor was a great Nova Scotian. He was interested in everything that went on there. In his political life he did not have to get out and work, like some of us did, to get elected. He did not have to make a house-to-house canvass. He built up his political life throughout the years seemingly with little effort.

An interesting thing happened today in the car that took us from the airport to the funeral home, to the cemetery, and then back to the airport to enable us to catch our plane. The driver asked me my name and then said, "I knew Senator Isnor quite well and I heard him speak of you. In the early days I was employed on the dockyard. We were paid twice monthly by cheque, and the only person in the area who would cash our cheques was our good friend Gordon Isnor. I don't think I had any politics, but I always voted for him."

Outside the funeral home I met a couple of men whom I had known during the days when I was in the Nova Scotia Legislature. They were perhaps messengers. They also brought up the subject of this great man, Gordon Isnor. It made me very proud that I was a Nova Scotian, as he was, and that he and I had been friends for so many years.

• (2020)

Hon. Chesley W. Carter: Honourable senators, any addition to what has already been so eloquently said about our late friend and colleague, Honourable Senator Gordon B. Isnor, may appear to be an attempt to paint the lily. Yet, as a very close friend of our late colleague, I cannot let this opportunity pass without putting on the record a few words to associate my wife and myself with the glowing and so well-deserved tributes that have been paid him this evening.

Reference has already been made to his great accomplishments as a businessman, to his long and successful career as a parliamentarian, to his achievements as an outstanding public servant at the municipal, provincial and federal levels of government, and to his tremendous devotion to his country, his province and his native city of Halifax, which he loved so much. These are all written large in the history of the political and commercial life of our nation. They testify to his great talents and tremendous capabilities. They are there for all to see and will remain as enduring monuments to his memory.

The few words I should like to add this evening have to do with those human qualities which endeared him to all who knew him. I have had the honour and privilege of knowing him since 1949, and long before that he was a friend of my wife and her family. We developed a very close friendship with him during the 17 years I sat in the House of Commons, and I owe much to his wisdom and experience. During the past six years and more that I have been a member of the Senate, our relationship grew more closely every day, something akin to that of David and Jonathon. The more I came to know him, the more I came to admire him and to love him.

Reference has also been made to his concern for people—and what greater tribute can be paid to any public figure than that? But Senator Isnor's concern was not limited to his constituents. It embraced all mankind, par-

ticularly the little man—the ordinary person, the veteran, the handicapped, the underprivileged, the coloured people and members of the Chinese community. They all came to him with their problems because they knew they could depend on him to do whatever lay in his power to help them. It would take a large volume to record even the names of those he helped over the years to find employment, to get better jobs, to improve their circumstances, to get better housing and to find solutions to their numerous and varied problems. Many cases would still go unrecorded because no one knows about them except he himself and the person concerned.

His greatest characteristics were modesty, humility and selflessness. He never preferred himself above others. He never sought the limelight. We are all aware that he personally chose to sit in the back row in this chamber, rather than the front where he was entitled to sit by reason of his service and seniority.

Gordon Isnor was one of nature's gentlemen. Another outstanding characteristic was his unfailing courtesy and politeness. He had strong opinions and he expressed them quietly, but firmly. He was always sensitive to anything that might affect the welfare and interests of his beloved province and city, and he never failed to speak out fearlessly in support of what he believed to be right, and against what he thought was wrong. There was never anything mean or small about him. In the 23 years that I knew him I never once heard him utter a cross word or raise his voice in anger, or say anything mean about anyone.

He was of the old school—a breed that is rapidly becoming extinct, if it has not already vanished. His passing marks the end of an era, but it was his faith in his Creator and the values and principles he exemplified in his life that made this country great.

As Antony said of Caesar:

> His life was gentle, and the elements
> So mix'd in him that Nature might stand up
> And say to the world, "This was a man!"

I know of no better words to describe the man that was Gordon B. Isnor. He achieved greatness without seeking it—the true greatness that lives in the affection and hearts of all who knew him. As Senator Smith has just said, these include all walks of life, all creeds, races and colours, from the highest to the lowest, from the richest to the poorest. Canada and the world are the poorer for his passing, and the greatest tribute we can pay to his memory is to preserve and follow the example he has left us.

Hon. Eugene A. Forsey: Honourable senators, I venture to rise on this occasion to join in what has been said for the single reason that I was perhaps one of the last members of this chamber to speak to Senator Isnor. I was in Halifax last week, so I called his son and asked whether Senator Isnor was well enough to be telephoned to, and he said, "Oh yes, by all means do so." I called and had a brief conversation with Senator Isnor, who said of the Senate, "I miss it," with much feeling in his voice. I replied, "And we miss you, Senator Isnor. You have no idea of how many people in the Senate keep saying 'Where is Senator Isnor? How we miss him! When is he coming back?" I was left with the feeling that he had a very great affection as well as respect for this place and for his colleagues here, all of us.

I remember when I first came here I was for the moment assigned a seat just across the aisle from him. I do not think he had ever laid eyes on me in his life before, but with his usual courtesy, his usual gentleness and his usual kindness he made me welcome to this chamber in a very gracious way, in exactly the kind of way we would expect having heard the very eloquent tributes paid to him this evening by his old friends.

I think I was correct in saying we miss him. All of us who knew him will miss him, and continue to miss him, as long as we are here.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Anti-dumping Tribunal for the year ended December 31, 1972, pursuant to section 32 of the Anti-dumping Act, chapter 1-15, R.S.C., 1970.

Report of the Canada Deposit Insurance Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to section 46 of the Canada Deposit Insurance Corporation Act, chapter C-3, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies, for the year ended December 31, 1971, pursuant to section 8 of the Department of Insurance Act, chapter I-17, R.S.C., 1970.

Copies of documents relating to the Local Initiatives and On-the-Job Training Programs, as follows:—

(1) Interdepartmental memorandum and accompanying telex dated October 2, 1972;

(2) Telex dated March 9, 1973;

(3) Telex dated March 15, 1973;

(4) Press Release dated December 6, 1972.

Capital Budget of Atomic Energy of Canada Limited for the fiscal year ending March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with a copy of Order in Council P.C. 1972-1062, dated May 23, 1972, approving same.

Report on Vocational Rehabilitation for the fiscal year ended March 31, 1972, pursuant to section 8 of the Vocational Rehabilitation of Disabled Persons Act, chapter V-7, R.S.C., 1970.

Report of the Governor of the Bank of Canada, including statement of accounts certified by the auditors, for the year ended December 31, 1972, pursuant to section 26(3) of the Bank of Canada Act, chapter B-2, R.S.C., 1970.

Copies of letters, dated January 11, 1973, addressed by the Minister of Manpower and Immigration and the Minister of National Health and Welfare to (1) the Minister of Social Affairs of the Province of Quebec (French text) and (2) certain provincial Ministers of

Welfare, with respect to the working relationships between the Canada Manpower Centres and Local Welfare Offices (English text).

Copies of Report, dated October 1972, on the consequences for the Canadian Lake Shipping Industry of the payment of operating subsidies to U.S. ships in the Canadian-U.S. bulk trades in the Great Lakes.

Report of operations under the Export and Import Permits Act for the year ended December 31, 1972, pursuant to section 26 of the said act, chapter E-17, R.S.C., 1970.

Copies of Agreement, dated November 24, 1972, between the Federal Government and the James Bay Development Corporation covering environmental studies in the James Bay area (English text), together with a news release, dated November 28, 1972, relating thereto.

Copies of a letter addressed by the Minister of State for Urban Affairs to Provincial Ministers of Housing and Urban Affairs or Provincial Ministers of Municipal Affairs with respect to rent freeze applicable to senior citizens and to public housing projects.

• (2030)

CANADIAN NATIONAL RAILWAYS

DERAILMENTS—NUMBER, LOCATION, CAUSE AND COST—INQUIRY STANDS

On the Notice of Inquiry of the Honourable Senator Fournier (Madawaska-Restigouche):

1. How many derailments involving an expenditure of $50,000 or more occurred on the Canadian National Railway System during the 1970-71 and 1971-72 fiscal years?

2. What was the location and the cause of each such derailment, and what was the financial loss to the Canadian National Railways in each case?

Hon. Mr. Fournier (Madawaska-Restigouche): Madam Speaker, may I have the floor for a very short remark?

The Hon. the Speaker: Certainly.

[*Translation*]

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, I make these few remarks because the Canadian National, a crown corporation, is slow in answering our notices of inquiry.

[*English*]

Honourable senators, this is not a personal inquiry. In my opinion, this is a Senate inquiry and it makes a difference. I hold no hard feelings against the Leader of the Government or Senator Langlois, or their staff, for the efforts they are making in obtaining the answers.

Someone said that patience is a virtue. Now I am beginning to lose the better part of my virtue. This notice of inquiry has been on the Order Paper since January 11, 69 days today. I am wondering what the Canadian National is trying to do, or what it is trying to cover up.

These are very simple questions, and in my estimation it is just part of any sound administration to be able to answer them. If the Canadian National Railways were making the same effort to keep their trains on the rails as they are making to count the passengers patronizing the service, I am sure they would have the answers in no time. It may be that they need an extra computer.

Hon. Mr. Langlois: Honourable senators, I wish to assure my honourable friend that constant pressure is being put on the CNR to provide the material through the Department of Transport. We are informed, in connection with the inquiry with which the honourable senator is presently concerned, that the key personnel mostly interested in this kind of information have been away, and that this is the reason why the answer has been delayed. We have received assurances that this information will be provided within a very short time, and probably next week.

Hon. Mr. Fournier (Madawaska-Restigouche): Thank you.

Inquiry stands.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Cameron, seconded by the Honourable Senator Burchill, for the second reading of the Bill S-2, intituled: "An Act to amend the Criminal Code (control of weapons and firearms)".—(Honourable Senator Molgat).

Hon. J. Harper Prowse: Honourable senators, if it is the wish of the house and Senator Molgat is agreeable, I would be prepared to continue the debate at this time in his place.

The Hon. the Speaker: Is it agreed, honourable senators, that Senator Prowse proceed in place of Senator Molgat?

Hon. Senators: Agreed.

Hon. Mr. Prowse: Honourable senators, first I should like to thank Senator Cameron for having introduced this debate. I would also thank those senators who have taken part in the debate already for the worthwhile contribution they have made.

In a day when approximately 75 per cent of Canada's population lives in urban areas, and at a time when we have before us the example of the difficulties being experienced in the governing of urban areas in our great neighbour to the south, it becomes incumbent upon us to give very serious consideration to the intent of this bill. I am not sure we should not be going far beyond what this bill proposes to do, but I do believe that at least we should consider carefully the faltering, although reasonable, step which is suggested here—a step we might take to make this country, which is quickly becoming an urban country, a safe place for people to live in and raise their families.

Having said that, I then run smack into what has been called the gun culture. I run smack into what people say is the right to bear arms—a right which is certainly not of English or French tradition, but of a tradition which grew up in the aftermath of the American Revolution—the right

of the American people to bear arms before that revolution separated the 13 states from the British Empire at that time. That right or tradition in 1776 arose from the fact that the people had gone into a hostile wilderness in order to take it from the people who then held it, and it was necessary for them to have at hand at all times the means of defending themselves.

Self-defence was not the only purpose of bearing arms, however, for the gun served two purposes. One was to preserve and protect the homestead, and the other was to provide meat for the family.

Originally, in Western Canada—and in Eastern Canada, too, I presume at some early age long before I was born—there was the need of guns to provide the family with meat, but our need for guns was never quite as strong as that of the Americans in respect of their protecting themselves. Our experience with our native population has been a much happier one than was the case with the people to the south. Unfortunately, however, their traditions tend to flow across the border, and become confused with our own. In respect of hunting I think the difference between the two cultures can be explained in no better way than by my telling you two stories.

A short time ago in one of the daily papers there appeared a story of a man in Florida who has developed a ranch or farm to which he has brought from all over the world various kinds of deer, which he feeds automatically by machinery. For a price he will take you out in a jeep on this property of his—I do not know what he calls it, but it is a shooting gallery—and from that jeep you can shoot in comfort the deer of your choice. The story was told by a man who, with his son, had done this. Both had shot the deer they wanted, one from as close as 12 feet. My God, what satisfaction that must have given them!

• (2040)

That is one story. The other story is this: I remember when I was about 12 years old, coming home one day with great excitement in my eye and explaining to my father how I had just narrowly missed a duck with my .22. He asked what the duck was doing, and I said that it was sitting on the water. I can tell you, honourable senators, that it was about three days before I could sit down. From that I learned one thing, and that is that a sportsman does not shoot a duck while it is sitting. You may think a man is great when he can ride a jeep and shoot a deer at 12 feet. However, let me not insult the sportsman of this country of whom there are thousands. If it gives them pleasure on some weekend to go out to match their wits against one of God's great, wild animals, then, may the best one win, and I shall make no further remarks about the fact that the deer or the sheep or the duck cannot shoot back. I shall not further expand on my opinion that it may take a little something away from the sportsman to have to use a telescopic sight in order to shoot his game. But let us admit that there is something manly, there is something fine, there is something character-building about going out with your telescopic sight and your Wetherby .300, with your eight-power sight on it, to shoot at 500 yards a grizzly, an elk, a deer, a sheep, an ovis poli, or what have you.

We are not suggesting for a moment in this bill that people should not have the right to follow useful, healthful forms of recreation; we are not suggesting for a moment that people should not have the right to belong to gun clubs and to go out and learn how to use their rifle. But what we are saying is this, that when a person takes into his hands something as potentially dangerous, something as potentially deadly as a rifle or a shotgun, at least that thing should be registered with the authorities so that if it should leave his hands it can be traced and can be identified. Then, at least, everybody will have impressed upon them the fact that this is a dangerous thing.

It is not too long ago that just about anybody had the right to get behind the wheel of a motor vehicle. It is a relatively short time ago that we decided that we would not let people drive motor vehicles until they were not only licenced and registered, with the vehicle also being licenced and registered, but until they had also passed a driving test. Why was this? Because motor vehicles can kill people. Maybe you think that a gun does not. Maybe you think it is just an illictly owned revolver that kills people.

Let me give you a few figures, and I shall not bore you with any great detail. I have here the figures for a study covering the ten-year period of 1961 to 1970 inclusive. These show that during that time a total of 2,674 persons were murdered. Of these, 1,178 or 44.1 per cent were shot to death by means of a handgun, rifle, sawed-off rifle, shotgun, sawed-off shotgun or unknown firearm. It is an interesting fact that the largest number of victims, 691 or approximately 60 per cent, were shot by a rifle. Domestic murders comprise the largest number, 369 or 53.4 per cent.

Now, you may argue that if you are going to kill somebody you can get a weapon. But if the weapon is not right at hand at the time, perhaps you won't kill. And perhaps if you have been trained to look at the weapon in a certain way, then it will be simply left as it is and treated as a weapon.

I have a friend who is a professional hunter and guide. He has several guns in his house which are kept in a cabinet bearing a sign, "Don't touch; every one of these is loaded." I asked him if this was really the case and he said it was. I asked him why and he said, "Because, Harper, it is only the unloaded guns which kill people." Let me also point out that the figures I have given deal only with murders; they do not deal with suicides or accidental deaths.

Honourable senators, if you can go out and buy a rifle and ammunition with the same ease that you can buy an ice cream cone or a lollipop, how do you convince the person who sees you buying it that one ought to be treated more seriously than the other? You know it. At least I think you do. I certainly hope you do. I know it, and I am sure I know it. I have seen men in the army for five years with loaded rifles and unloaded rifles, machine guns, tommy-guns and pistols. I remember one who shot his own foot, and did it deliberately. But during those five years they had these weapons with them the whole time.

On the other hand, I am sure that many of you know, as I know, of situations where young friends very nearly killed one another because they did not realize that they should have checked to see if a gun was loaded before they pulled the trigger.

Honourable senators, all this bill suggests is that we should give to these things the importance that their dangerous potential dictates we should give to them. When you think of the potential for death, damage, destruction and misery that a loaded, carelessly handled weapon carries with it, surely we are not asking too much of people to take this simple step to impress upon them and others the importance of recognizing the danger of a gun. We pat ourselves on the back because recently we passed legislation requiring that warning labels—Poison! Look Out! Caution! Be Careful!—be placed on medicine bottles. Why should we hesitate for a moment in this situation? Why should we talk about interference with civil rights? Why should we be the toadies of the gun lobby in order to prevent and stop a government from passing a simple, non-political, useful piece of legislation such as is suggested here? I am not saying for a moment that the bill does not need to be amended or changed in some particulars. But the principle of the bill is merely this: Anybody who takes possession of, or has in his possession, one of these weapons which can become, and is, such a potential instrument for harm, ought to be required to have it registered. Some have argued that this is an unwarranted interference with the freedom of the individual. Well, I do not think it is an unwarranted interference with the freedom of the individual to require him, if he is going to keep lye in his garage and leave it within the reach of children, to at least have a label on it. Lye does not kill the number of people that these weapons do. All that is required is that they be registered.

• (2050)

The hundreds who can afford to belong to a gun lobby, who have an over-and-under Browning; who have a .300 Wetherley or an H.H. and Holland magnum, who are serious hunters with handmade, handfitted stocks to their rifles, who take themselves so seriously that their weapons are kept in special covers when they are travelling, all have those weapons listed on insurance policies. If it is not too much trouble to put them on insurance policies, why should it be too much trouble to register them with the RCMP? It is for their protection as well as ours. If they own something less, such as a surplus .303 from the Boer War purchased from the Army and Navy Surplus Store for $19.95, it can still kill a man, and it still has a number on it.

It is no hardship to have to explain to someone why they want it, why they need it, and why they ought to have it. If they know they have to have a reason for owning it, they will think twice about whether they even want to spend the $19.95. It was a weapon that cost about $19.95 from a mail order house in Chicago that killed President Kennedy.

I went to the United States in the summer of 1967 just after the riots and in all the newspapers was an ad, "Get your revolver for household protection." I went and looked at them. I suppose there is something of the jungle in us all. There was a beautiful little .22 Baretta for $27.50. I could have put it in my back pocket and walked across the border and no-one would have known. I looked at it again and thought, what in hell am I going to do with it when I get it home. I have my army revolver which I brought home. I have not fired it since, and I do not remember firing it when I was overseas. I always carried a rifle because to carry a revolver was to single yourself out for a special target. I am about to turn that thing over to the RCMP or whoever wants it, because I am tired of obtaining permits to move it back and forth from here to there. Honourable senators, do you know what a revolver which you purchase for home protection can do for you? I can assure you of one thing, that if you have a revolver for home protection, and you try to protect your home, it may get you killed. I have reached the point where I no longer consider myself as an active James Bond, and I am about to turn mine in.

It is not suggested that you should have to go through all this rigmarole every time you want to move a revolver from your office to your house, from your house to your summer cottage, from your summer cottage to your office, from your summer cottage to your home, or from yourself to the policeman and then back again. That is not suggested at all. All that this bill requires is that if you have a restricted weapon, you must register it. You must also pass a test to demonstrate that you know how to use it. Before you obtain a driver's licence you have to show that you know how to drive.

I may be wrong, but it seems to me that nearly 60 per cent of the people who were murdered in Canada over the last 10 years were shot by rifles. They might not have been killed if people hadn't had rifles, or if the rifles had been in the hands of people who realized what a serious matter it is to own a rifle, or even to hold one in their hands. Have any of you ever had a gun pointed at you? I can tell you that in the army if you pointed a gun at anyone you would be clobbered. The one thing you do not do to an infantryman is to point a gun at him. Anyone who elects to point a gun at him is a fool, and anyone who points a gun at anybody else is a double fool. We ought to see to it that everyone is aware of that fact.

I do not think I should go into the matter of the gun culture of the United States. You have the figures, and I shall not repeat them, but I think there were roughly 50 times as many homicides by hand guns in the United States as there were in Great Britain. We do not have that many hand guns. thank God, but even with the few we have we do pretty well, and with rifles we do very well.

But there is something fascinating about a gun—something beautifully fascinating. If you will forgive me I will leave with you these lines that I wrote about the Bren gun when I was in Italy:

It took a thousand dreams to plan this gun,
It took a thousand men to build it true—
Using all knowledge which the wise men knew—
I wonder if they realized what it is going to do?
Why, it can take a thousand laughing lives
In half the time a spider spins its web,
And would each man again before he dies—
That's what the sergeant says—he never lies!
Yes—there it sits—a wondrous, monstrous thing:
A tribute to man's ingenuity—
The product of mankind's cupidity,
An awful proof of man's stupidity!

Honourable senators, last year at the wholesale level $31 million worth of ammunition was sold in Canada; $15 million worth of guns. In 1970, the last year for which we have figures, 432 Canadians died at the hands of other Canadians holding guns.

Hon. Eugene A. Forsey: Honourable senators, I rise to support this bill. I do not intend to try to emulate the masterly speeches which the mover and others have made in support of the bill. But I do want to say something about the principal arguments which have been adduced against it by a senator whose great ability, high principles and long experience and wisdom we all venerate, Senator Manning. I am glad he is here tonight because I prefer to say what I have to say about his speech in his presence.

• (2100)

When I listened to that speech, honourable senators, I could scarcely believe my ears; and when I read it over in *Hansard* I was appalled to discover that I had to believe my ears.

I wish to consider very briefly some of the statements, and some of the rhetorical questions, which Senator Manning advanced in opposition to this bill.

First of all, he said and I quote from page 247 of *Hansard*:

> The criminal element responsible for a large percentage of crimes of violence will certainly not be deterred in any way by the imposition of further restrictions on the ownership of firearms.

I venture to question that, for reasons which will appear in a moment. Senator Manning continued.

> Surely we all recognize that a criminal, a person with criminal intentions, has no difficulty . . . in obtaining firearms—

I leave out some words for the moment: "in obtaining firearms . . ." Well, I am inclined to think that he has not, perhaps, very much difficulty now, but I am not prepared to accept the view that Senator Manning puts in another part of this sentence, when he says a criminal "will have no difficulty, in obtaining firearms, whether or not we have more restrictive legislation." It seems to me it stands to reason that he will have more difficulty if we have effective restrictive legislation. There is no doubt that criminals will sometimes get possession of firearms, even so. No law is perfect, even if it is well grounded and even if it is thoroughly and effectively enforced, but it does not follow that restrictive legislation will have no effect whatsoever in this regard. Those who allege that it will have no effect should discharge the onus of proof. They should produce some evidence, not merely a blanket statement that restrictive legislation will have no effect. It seems to me that it stands to reason that it will have some effect, if only because if a criminal is caught with an unregistered weapon there is one more count against him. Even if he has not actually committed a major crime, the fact that he has got an unregistered weapon with him may be the means of controlling him to some extent before he gets to the point where he is doing someone in with his unregistered weapon.

It seems to me to be perfectly plain that a measure of this sort will make it easier to control the criminal element and will make it more difficult for the criminal element to get hold of arms to commit its crimes.

Then Senator Manning says:

> Do we think for one moment that men such as those who ambushed and gunned down the policemen, to which incident Senator Cameron referred, will be prevented from acquiring firearms by the passage of legislation of this kind?

I think the answer is yes, in some degree they will; it will be made harder for them to get them.

Senator Manning continues:

> Of course they will not. Do we think that the individual who intends to take his own life will be prevented or deterred from obtaining a revolver?

I think the answer is yes, he may be to some extent; it may be more difficult for him to get it.

Senator Manning continues:

> He will not worry very much if after his death it is found that he was illegally in possession of a firearm.

Of course he will not worry about it; that is what *Punch* used to call "another glimpse of the obvious." But it seems to me that it still remains true that it is more difficult for people to obtain firearms if obtaining a firearm is surrounded by the safeguards proposed in this bill. The number of people who will get them and do themselves in is likely to be smaller.

Then we come to what I suppose might be described as Senator Manning's ace of trumps, that there are other ways of killing people. You do not have to have a gun; there are all sorts of things you can do:

> He will hit that someone on the head with something, strangle him, or use any one of a dozen means to kill him.

Yes, I suppose if I am absolutely determined to do someone in and can get close enough to him, I may be able to hit him on the head with a blackjack or bottle, or something of the sort. But at least I have to get fairly close to him, whereas if I have got a firearm I can get at him from a fairly long distance. I can pot him from 500 yards. But if I am 500 yards away from him it will tax the ingenuity, even of somebody possessing magical powers, to do him in by hitting him on the nose, or on the back of the head, or in some other vulnerable part.

Senator Manning says that somebody who really wants to do someone in can strangle him. Well, once again, no doubt if I am really determined to do someone in and can get close enough to him, I can strangle him. But I cannot strangle him at 500 yards distance. Surely this kind of thing is a very feeble argument against the measure which we are considering.

Then we come to more theoretical and philosophical arguments. Senator Manning says:

> My concern about legislation of this kind—

In addition to other points.

> —is that we would be imposing on a great many law-abiding citizens another government restriction, another permit that they would have to get, another examination that they would have to take, before they can possess a rifle or a shotgun.

Well, to that I think my answer is, why not? Senator Manning appears to have a deep-rooted philosophical conviction, a sort of philosophical anarchism one might almost call it, that there is something dreadful about having to get permits to do things. Well, there are certain things for which, obviously, one does not and should not be asked to submit to needing permits to get them. But, on the other hand, there are a variety of other things, as Senator Prowse has just pointed out, for which it seems necessary in the public interest and for the public safety that certain permits should be required, certain examinations should be undergone; and permits should not be given to people to allow them to handle these lethal weapons, such as the motor car, unless they have shown they have the competence to do so. If I were to try to drive a motor car I should be a menace to society; I should probably finish myself and half a dozen other people in the first 15 minutes. If I tried to get a licence to drive a motor car I would be required to prove to the satisfaction of competent people that I am not a dangerous person to have charge of a motor car, that I should not be debarred by my temperamental nervousness and my absent-mindedness, to say nothing of any other failings, from driving a motor car to the danger of the public.

This idea that there is something wicked about demanding that permits be required for the possession or use of certain things, *a priori*, regardless of circumstances, seems to me to be a most fantastic one in an organized society. A certain number of permits are absolutely necessary; a certain number of restrictions are absolutely necessary, unless we are to revert to that state of nature of which Hobbes said the life of man in it was "solitary, poor, nasty, brutish, and short," "the hand of every man against every man." Civilized society involves certain restrictions and the only question that arises is, are the restrictions imposed by it necessary in the public interest? It seems to me that the restrictions proposed in this bill are necessary in the public interest.

Possibly there are some minor changes that should be made in the wording of the bill; I am not wedded to it in every comma. But it seems to me that the principle is one that can stand on its own feet, on its own merits.

We get this continuing reiteration by Senator Manning about this dreadful idea of "one more government regulation added to the multiplicity of those already in existence." "If a man wants to fish he has first to obtain a licence." Well, what about conservation? "And he is told which stream or lake he can fish in and when he can fish." Well, what is wrong with that? Are we to throw away the whole idea of closed seasons in fishing and hunting? We will have the wild life of the country extinct in no time if we do that sort of thing. Why have these restrictions been imposed? Because it has been found that they are absolutely necessary to the preservation of the supply of fish, game and so forth. "If a man wants to go big game hunting, again he has to obtain a permit and again he is told where he can go." Well, why not? What is wrong with that?

• (2110)

What particularly amazes me is that anybody, in the days we are living in when we are constantly hearing about the necessity of preserving the environment and preserving species of wild animals and birds that are on the verge of extinction, should believe this kind of argument, presented with all seriousness by a person of such high character and distinguished abilities and long experience as Senator Manning.

[Hon. Mr. Forsey.]

Senator Manning also said:

> —in the process we are making people so sick and tired of being regulated that we are breeding a disrespect for law and order which, to my mind, is far more serious, and in the long run far more damaging, than requiring an individual to obtain a permit for a rifle or shotgun—

Well, if people are so constituted that a requirement of this sort is going to breed in them disrespect for law and order, then heaven help us. Surely disrespect for law and order is bred by foolish laws, by unenforceable laws, by unenforced laws; but the idea that merely because you have a law which some people don't like, whether for selfish reasons or on high philosophical grounds such as Senator Manning brings forward against this bill, the idea that if you have a law of that sort you are going to breed disrespect for law and order, it seems to me is fantastically far fetched.

I come finally to one further point that Senator Manning makes:

> If we are serious in wanting to control crime, it is the criminal with whom we ought to be dealing. An increasing number of people in Canada are coming to the conclusion that this stupid philosophy—as I call it—of the last 10 or 15 years, where almost everyone who commits a criminal act becomes the object of public sympathy, is encouraging crime rather than curtailing it.

Well, there may be something in that. I am rather inclined to think that perhaps there is something in it, that possibly we have overdone the sympathy for the criminal, the extenuating circumstances, the hereditary factors, the environmental factors, and so forth, which were formerly underestimated. I am rather inclined to think that we may have overdone the consideration for these things and consideration for the unfortunate criminal, and may have been giving very little consideration to the victims of the criminal.

Unfortunately there seems to be an ineradicable tendency in the human mind to go to extremes. We find that people are so disgusted by the brutality of the old criminal law, or certain aspects of the existing criminal law, that they run to the extreme of wanting the whole thing thrown overboard. I agree with Senator Manning that this can be a wild extreme, and, possibly, to some extent we have gone to this extreme, or some of us have. But this seems to me totally irrelevant to the bill under consideration.

The question in this bill, it seems to me, is the question of trying to prevent the commission of crime, trying to make it harder for criminals to commit crime, by placing as far as we can out of their reach certain means of committing crime. How we treat the criminal afterwards, what we do in the way of prison reform, whether we have capital punishment or whether we don't, these are large questions on which a great deal can be said, probably with justice, on both sides of the question. I will not try to

go into them now. But it doesn't seem to me that they are germane to this particular problem which this particular bill is trying to deal with.

I was therefore very greatly upset and very greatly distressed to find that Senator Manning was lending the prestige of his name to this kind of argument against a measure which seems to me to be almost self-evidently desirable. I was astounded to hear it, I was distressed, I was saddened, and I felt I could not allow discussion of the bill to proceed to its conclusion without dealing in some way with the arguments which Senator Manning brought forward, because his prestige is such that anything he says in this chamber is bound to command attention and respect and may influence other honourable senators more than perhaps the sheer intrinsic merit of his arguments might persuade them.

On motion of Senator Carter, debate adjourned.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-31 (LACHINE)—SECOND READING

On the Order:

Second reading of the Bill C-31, intituled: "An Act to amend the Electoral Boundaries Readjustment Act".—(Honourable Senator Forsey).

Hon. Eugene A. Forsey: Honourable senators, I am sorry to rise again this evening. It is an unfortunate circumstance that certain matters involve my rising, as I think this one certainly does.

The Hon. the Speaker: Is the honourable senator going to move second reading?

Hon. Mr. Forsey: Yes.

Hon. Mr. Choquette: And he is going to be brief.

Hon. Mr. Forsey: Yes, for several reasons.

The Hon. the Speaker: It has been moved by Honourable Senator Forsey, seconded by Honourable Senator Argue, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Forsey: Honourable senators, I am going to be even briefer because I am going to deal, in effect, with both Bill C-31 and Bill C-156 at the same time. I do not mean by this that I am going to transgress the rules and try to make a single motion for the second reading of both, but that the observations I shall make on Bill C-31 will be relevant to the observations I should wish to make on Bill C-156, and therefore needn't be repeated.

First of all, I should like to say that I am glad to say that the other place is at last producing some legislation. This is a hopeful sign. I hope it is a harbinger of spring and promise of things to come, of more substantial fare provided by the other place.

Hon. Mr. Argue: If it is not too important, they will pass it.

Hon. Mr. Forsey: The second thing I should like to say is that if I remember correctly the Leader of the Opposition, on a previous occasion when bills of this sort came before us, indicated some misgiving, and was inclined to think that we should leave well enough alone, that the changes in the names of these constituencies were rather foolish. Well, I have a certain amount of sympathy with that. On the other hand, changing the name of the constituency seems to be a favourite indoor sport of the other place, and I don't know why we should deprive them of the innocent recreation which they apparently get from this kind of operation.

Above all, this is their business, really. It is not for us to say. If they want to change the names of their constituencies, add to them, as they generally do, it is scarcely our place to say them nay. I don't feel our sober second thought on this matter is really very necessary and I can't see that the public interest will in any substantial way suffer by the renaming of these constituencies.

I don't know what the precise reasons were why the movers in the other house wished to have these changes. I suppose the honourable member for Lachine likes to emphasize the bilingual character of his constituency by adding "Lakeshore", and I suppose the honourable member for Waterloo was anxious to signalize the addition to his constituency, so to speak, of the new community of Cambridge, which has swallowed, rather to my regret, I may remark, the old historic town of Galt. But at all events, here is legislation that, it seems to me, is something in which we can acquiesce without further ado; and I therefore move the second reading of this bill, and immediately afterwards I shall be glad to move the second reading of the other bill for exactly the same reasons.

Hon. Hazen Argue: Honourable senators, I am sure that the Senate is doing the correct thing in passing this bill. I wish to associate myself with Senator Forsey in pointing out that related to the main business before Parliament this kind of bill is trivial and inconsequential. We realize that we are meeting here this evening discussing the business before us, which is our duty; but we are here really, to some extent, in anticipation of some major legislation from the other place. That major legislation is not forthcoming. When this is the best that the other place can send to us for our consideration, what we should be dealing with from time to time is not so much reform of this place but consideration of what can be done in the other place to reform its procedures so that we are not faced so often with bills of a very inconsequential nature rather than bills that come before us of major importance.

• (2120)

We are awaiting the social security bill from the other place, which is to increase old age pensions. That bill has been before the other place for three weeks now. I suggest that the members there are unanimously in favour of its passage, and yet they have taken, to date, three weeks to consider it. We cannot get it. I suppose they will take a month to pass something concerning which there is no opposition. If a few were opposed, it would probably take three months. If a substantial minority are opposed, I am sure nothing will go through the other place.

Along with other honourable senators, I support this bill. However, I do want to point out again that it is the other place that is not doing its job when all we get here are these housekeeping, essentially trivial bills which do nothing but add more names to the names of constituencies which are already, in many instances, cumbersome.

Motion agreed to and bill read second time.

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

Senator Forsey moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BILL C-156 (WATERLOO)—SECOND READING

Hon. Eugene A. Forsey moved the second reading of Bill C-156, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read second time.

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

Senator Forsey moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 21, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies or Ordinances, Chapter 1 to 19, inclusive, passed by the Council of the Northwest Territories during its 48th Session and given assent by the Commissioner on February 9, 1973, pursuant to section 16(1) of the Northwest Territories Act, chapter N-22, R.S.C., 1970, together with copy of Order in Council P.C. 1973-622, dated March 13, 1973, approving same. (English text).

Copies of Press Communiqué of the Ministerial Meeting of the Group of Ten and of the European Economic Community, held at Paris, France, March 16, 1973.

Report on the administration of the Canada Pension Plan for the fiscal year ended March 31, 1972, pursuant to section 118, chapter C-5, R.S.C., 1970.

Report on the administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1972, pursuant to section 12 of the Blind Persons Act, chapter B-7, R.S.C., 1970.

Report on the administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1972, pursuant to section 12 of the Disabled Persons Act, chapter D-6, R.S.C., 1970.

Report on the administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1972, pursuant to section 12 of the Old Age Assistance Act, chapter 0-5, R.S.C., 1970.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-31 (LACHINE)—THIRD READING

Hon. Eugene A. Forsey moved the third reading of Bill C-31 (Lachine), to amend the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

BILL C-156 (WATERLOO)—THIRD READING

Hon. Eugene A. Forsey moved the third reading of Bill C-156 (Waterloo), respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

CRIMINAL CODE (CONTROL OF WEAPONS AND FIREARMS)

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Cameron for the second reading of Bill S-2, to amend the Criminal Code (control of weapons and firearms).

Hon. Chesley W. Carter: Honourable senators, I had not expected to enter this debate until tomorrow. I hope you will bear with me if my remarks are somewhat disjointed because I have not had time to make the preparation I would have wished.

• (1410)

Hon. Mr. Choquette: Why don't you go on tomorrow? We usually like to hear you at great length. If you are going to be brief, we will not like that.

Hon. Mr. Carter: My remarks are going to be very brief, because we have had an extended debate on this bill and I think that everything that can usefully be said has been covered.

I rise to indicate my support of the bill, although I have a few minor reservations to which I shall refer later.

When listening to the opposing views on this bill, I thought, without having had the opportunity of studying the wording of the bill, that we were introducing something new and radical. However, in studying the explanatory notes, I find that we already have, in the present legislation, provisions covering "restricted weapons" and "prohibited weapons." The main purpose of the bill is to alter the basis on which these categories are defined, and the bill improves the present legislation by spelling out more clearly what weapons are restricted and what weapons are prohibited.

Bill S-2 provides for the issuance of permits, but this is not new. In addition, the bill provides that the transfer of weapons be subject to authorization, and it provides for the registration of firearms and the issuance of certificates of competence. Surely these are good provisions which everyone should support. I find, therefore, that there is no great departure from the existing law, as arguments opposed to the new bill seemed to indicate.

As I mentioned earlier, I have one or two reservations with regard to the bill. My first is that apparently the present law has not worked too well, otherwise the results would have been very different and the bill before us would not be necessary. I do not see anything in the bill, even with the improvements contained therein, which convinces me that it will achieve anything better than the present law. Something more has to be done, and for this reason I hope the bill will go to committee for further study and improvement.

My second reservation is that it is difficult to know how the provisions of the bill will be administered. I ask myself how they will affect those whom I know best, the fishermen of my province, particularly those whom I had the honour to represent in the other place for so many years. I am particularly concerned about how the bill will affect them.

In referring to the American Constitution yesterday, Senator Prowse mentioned that one of the arguments in favour of the right to bear arms was that it not only enabled one to defend oneself, but that it was a means of providing food. That is certainly still true in parts of my province, where many fishermen supplement their food supply by shooting wildlife and sea birds, which are an essential part of their food supply. I should not like to see any legislation implemented in a way that would make it more difficult for those people to exercise their present rights. Their existence is already difficult enough.

I hope this bill is referred to committee, so we can find out what is wrong with its present administration and just how it would apply to those who depend on hunting to supplement their livelihood.

My third reservation has to do with the order in council. Clause 1(c) of the bill defines a restricted weapon as:

> a weapon of any kind that is declared by Order of the Governor in Council to be a restricted weapon.

As a body, this chamber has taken a stand against giving unnecessary powers to the Governor in Council. This is the type of blanket authority which could well be used to nullify other parts of the act, as has happened in respect of some other legislation, particularly the old Unemployment Insurance Act. If we are going to spell out in legislation just what are prohibited weapons and what are restricted weapons, then let us do so in the bill and see what happens before giving blanket authority to the Governor in Council.

Hon. Mr. Choquette: You have told us about four or five "reservations." What do you think of arms on reservations?

Hon. Mr. Carter: You mean Indian reservations?

Hon. Mr. Choquette: Yes.

Hon. Norman McL. Paterson: Honourable senators, I should like to associate myself with the remarks of Senator Manning. My family have always been handlers of guns. My daughter was once the ladies' skeet shooting champion for the province of Quebec, and her husband was the men's champion. I should not like to see any legislation that would restrict a sport which is so much enjoyed. Skeet shooting is a means whereby both the husband and wife can enjoy the sporting life together. Both my daughter and her husband enjoy duck hunting as well as skeet shooting.

Guns are not the only means by which people commit murder. For instance, during a trial not long ago a judge asked a woman accused of murdering her husband, "Why did you shoot him with a bow and arrow?" And she replied, "Because I didn't want to wake the baby." So that proves that there are other ways of murdering people.

While I am on my feet I should like to call attention to an incident which occurred in Vanier City in recent months. A husband and wife living in St. Jerome with their three-year-old son evidently had a disagreement. As a result she left him and came to Vanier City where she rented a basement room from another woman. She was going to live there with her son until she found work. Well, her husband found out where she was and he got himself a .22 rifle, sawed it off, and put it in a violin case. He then went to the house where his wife and son were living. The landlady noticed the violin case but suspected nothing, so she directed him to his wife's room in the basement. A few moments later the landlady heard six shots. She called the police. The wife was dead. The husband had left with his violin case and his sawed-off .22 rifle. The tragic event left the boy without any guardian. It is a very sad thing, but I am still convinced that if we had capital punishment that would not have occurred. I am quite sure that that man was a coward, and had he been faced with the possibility of a death sentence he might not have killed his wife.

• (1420)

I feel that all these new restrictions make people handle the truth a little carelessly, along with their taxes. I suggest that when this bill goes to committee, all these things should be taken into consideration and that there should be as few restrictions as possible.

Hon. Gildas L. Molgat: Honourable senators, I should first like to compliment Senator Cameron for having introduced this bill and initiated what I think has been an excellent discussion in this house. However, I must say that I have certain reservations about the bill. Let me hasten to add that I am not representing any gun lobby. As a matter of fact, no one outside this chamber has spoken to me about the bill, so I am certainly not speaking here subject to any outside ideas or suggestions. I speak merely from, I suppose, my own background, as one who enjoys the sport of hunting, but probably more as one who for many years represented a rural area in a provincial legislature.

It seems to me that the bill, while it may be very suitable for urban areas—and perhaps the bill is an indication of the growing urbanization of our country—would have some practical problems in certain of our rural areas, even more so as one heads into the more remote parts of our country. It may result in some serious problems on Indian reservations and among native populations.

Let me make it clear that there are certain parts of the bill with which I wholly agree. The prohibition of machine guns, sawed-off shotguns and those types of weapons is eminently sensible; they should not be allowed; there is no need or room for them in our society. Also, a closer control over possession of hand guns is practical, possible and logical.

It is when we consider the sporting and hunting guns that I see certain practical problems. When I look at some of the wording of the bill I foresee some difficulties.

Hon. Mr. Prowse: On a point of order, we are discussing principles, not particulars.

Hon. Mr. Molgat: I fully recognize that we are discussing principles, but it is exceedingly difficult to discuss a principle without referring to what the bill talks about. If Senator Prowse does not like me to read from the bill, I will speak from memory. That is acceptable to me. For

example, the bill says there will be restrictions on lending a weapon to someone. I can foresee some real difficulties over this in many parts of the country, where it is an accepted practice, without even thinking of it, to lend a weapon. Perhaps it should not be done, but it is done. It must be remembered that in many rural areas this has been a long-established practice. In many areas there may be a very sound reason for it, because some people may not be able to afford a weapon. It is also a common practice in many settled areas where there are gun clubs for the gun clubs to provide weapons for visiting hunters. Under the bill, as I read it, they may need a permit to do this.

The penalties seem to be severe. I do not know if the suggested ten-year prohibition penalty would apply to all offences. Certainly the bill recommends that the judge would, not by choice but by law, have to impose a ten-year prohibition period during which a convicted person could not carry a firearm. It seems to me that that kind of penalty may be out of line with the seriousness of the crime.

Furthermore, I see some problems here for the police authorities—I presume mainly the RCMP—who would be forced to go through the whole process of registration and control. I wonder what kind of a bureaucratic structure would be required to accomplish this?

Honourable senators, it may be that all this is necessary, that things will evolve to the point where we will have to do this in order to protect our citizens. I want to make it absolutely clear that I value the life of one single Canadian far above the problems involved in bureaucratic red tape. But I am not so sure that the control in any case would ensure the safety of Canadians. This has not been made absolutely clear to me. It seems that those elements who would use a firearm for illegal purposes would not be deterred by having to have a licence to possess one.

I believe that the bill should be given second reading and referred to committee. In addition to calling the appropriate departmental witnesses, we should invite other people to appear before the committee. We should invite members of various police departments, particularly members of the RCMP, who have widespread experience in this field. We should make it a point to invite representatives of our native peoples, our Indians and Eskimos who have a particular concern in this area and certain specific rights granted to them under the original treaties. We should look around, before the committee completes its work, to ensure that we do hear from those people who can give us sound information.

Honourable senators, if I can be convinced that the bill does not go beyond what is required, that the "illness" requires as drastic a remedy as is proposed here, I will be prepared to support it. At this point, however, I am not fully convinced that this bill is required in the terms in which it is written.

Hon. Mr. Rowe: Honourable senators, before the honourable senator sits down, I wonder if he would answer a question that his remarks have raised in my mind. Would this bill prevent some families, especially in more isolated parts—and I am thinking of, say, a family in Labrador—from having what I would call the use of a family gun? For example, there could be a father and mother and two sons living in the same house. The gun might be used for killing seals on occasion or for shooting a bear or caribou. The father might use it one day, his 25-year old son the next day, and conceivably even the wife might use it another day. Would this bill prohibit that sort of practice?

Hon. Mr. Molgat: I presume that the mover of the bill will cover that point in his closing remarks. My reading of the bill is that the weapon would have to be registered in the name of one individual, and he could not transfer, deliver or lend the weapon to someone else without authorization. I do not know whether provision could be made for multiple registration. I suppose there is that possibility. As the bill reads, it prevents lending. My assumption is that when the weapon is registered in the name of one member of the family it cannot be used by another member without a permit.

Hon. Henry D. Hicks: Honourable senators, may I, in a few brief words, associate myself with the question which Senator Rowe has just put. It is quite important. I favour this bill passing second reading and going to committee, but the provision mentioned by Senator Rowe is one that needs to be corrected.

• (1430)

I myself enjoy certain kinds of shooting, and both my sons learned to do the same thing under my guidance. Therefore, I feel that certain provisions ought to be made whereby members of a family, under proper supervision, could use a gun belonging to the head of the household or some other member of the family.

If I may just make this general observation, I think that the range or extent of this debate has been rather widespread, embracing two extremes, one extreme being expressed by my colleague, Senator Manning, with whom I cannot agree and whose views I thought were answered very well indeed by Senator Forsey in last night's sitting, and the other extreme being eloquently and emotionally stated by Senator Prowse, who went so far as to oppose the shooting of birds or any other wildlife.

I disagree with both extremes. I certainly do not think we should confuse the purpose of this bill with a discussion on whether one should take animal life or not. The first thing you know, we would be talking about whether it is proper to slaughter cattle in order to have roast beef. So I cannot agree with either Senator Manning or Senator Prowse in the views they express about this bill.

Generally speaking, however, the enjoyment I have had, limited though it is, from using a shotgun occasionally, a rifle rarely, would not in the least be diminished if I were required to have those weapons registered and if I were to be accountable for the misuse of those weapons. I think this is a responsibility which the user of a dangerous weapon, in the complicated, crowded society in which we live today, has willingly to undertake or undergo. I do not object to that if we can make reasonable provision for the transference of firearms within a family or within a group, and perhaps for the lending of a firearm to other persons who are properly licensed to own one for the purpose for which it is lent, and so on.

For these reasons, I support the second reading of this bill.

Hon. Donald Cameron: Honourable senators—

The Hon. the Speaker: I wish to inform the Senate that if Honourable Senator Cameron speaks now his speech will have the effect of closing the debate on second reading.

Hon. Mr. Cameron: Honourable senators, first of all I should like to compliment my colleagues on the very fine debate we have had on this subject. It has engendered a great deal more interest than I had anticipated, not only on the part of the Senate but far beyond that. It has apparently stirred up an organization known as FARO, which is the Canadian equivalent to the American gun lobby. When the bill was brought into the chamber on February 14, FARO immediately pounced on it with the suggestion, completely unfounded, that the bill was an attempt to legislate the sportsman, the gun club and the recreational side of shooting right out of existence. There is no such intent.

To begin with, I want to say that the bill is in exactly the same form as the bill that was brought into the House of Commons last February by Warren Allmand, now Solicitor General, as Bill C-36. In discussing it with our legal advisers it was suggested that it might save time to reproduce the bill as a Senate bill exactly as it was, with the understanding that necessary amendments to it could be made in committee.

I must say now that the discussion we have had on this bill has emphasized very clearly the need for a number of amendments. Of course, I had that idea right along.

Hon. Mr. Connolly (Ottawa West): You said so.

Hon. Mr. Cameron: Yes. I want to give some indication at this time of the kind of amendments which I think need to be brought in. The comments that have been made by my colleagues, Senator Molgat and Senator Hicks, are pertinent to this discussion.

The following are suggested amendments for Bill S-2: One, we must redefine the lower age limit. We must keep in mind that in a country with large rural areas where there are still pioneer areas, it is quite common for a youngster of 12 or 13 to go out with a gun, particularly where it is necessary to supplement the food on the table. We have no wish to prevent that, but we want to make sure that the youngster who is handling that gun has some training in how to do so. Therefore, we should redefine the lower age limit, provided that the individual has passed a test or examination and has demonstrated that he knows how to handle a gun.

Secondly, we should redefine who the registrars shall be. It has been suggested that this involves a tremendous amount of bureaucratic red tape. I am sure it could. We must be precise in defining who is to do the work and how it should be done. I say this because it seems to be assumed that the RCMP alone would be the registrars. I do not see why that should necessarily be the case. I can well understand that in a small area where the RCMP are moving around a great deal, they would not be the most suitable registrars. We could designate as registrars local police officers, municipal police officers, local constables and local magistrates. We should spell out a variety of people who could act as registrar.

[Hon. Mr. Cameron.]

I think we must also redefine the duration for which a permit is required, whether it be required for one year, two years, three years, or for five years. In my own view a permit should be valid for five years, but I am open to suggestions in that respect.

There are further redefinitions which I think we should consider. For example, "sportsmen"—there is no intention whatever of legislating the sportsman out of existence. We should redefine gun clubs and people using rifles for recreation. There should be a redefinition of the status of hunters, rifle clubs, gun clubs and people collecting guns as a hobby. I agree that these are the types of amendments which should be considered in relation to this bill.

Honourable senators, coming now to some of the comments made concerning this bill, I was greatly interested in those made by my friend Senator Manning. Ever since I have known him he has been thoroughly consistent, in his long career in public life in Canada, in his opposition to government intervention wherever he considered it unnecessary. This is indeed a very defensible philosophy. On the other hand, Senator Manning, in the course of his long and distinguished public career, has probably been responsible for the placing of more legislation and regulations on the statute books than anyone else sitting in this chamber. We have to keep that in mind. However, the philosophic viewpoint was well expressed.

At this stage I want to say a word or two about the kind of correspondence that has come in from individuals and gun clubs. I have received something in the order of 150 letters from people mostly in favour of the gun lobby, with some of them being very strongly partisan. They call me everything under the sun, but that does not matter particularly. However, I am going to read an extract from a letter received from a man who wrote:

> My most serious, most vehement and completely uncompromising objection to Bill S-2 concerns the complete, unconditional prohibition rather than selective control of machineguns and firearms less than 26 inches long, which also includes handguns. The idea of prohibition suggests to me either an abdication of responsibility on the part of the government and the police, or the government's subconscious vote of nonconfidence in our police departments' ability to administer the existing laws and properly screen the prospective restricted firearms owners.

This man goes on to say:

• (1440)

> Since I am an owner of several restricted firearms including a sub-machine gun, and since I risk losing them through no fault of mine, and for no reason even remotely connected with me—without even the basic right or common courtesy of an appeal—I consider this to be a flagrant and unconstitutional infringement of my basic rights.

And he goes on and on. There are many such as this.

It is interesting to see the number of letters that have come in, obviously prepared in a central office and sent out under different signatures and with different addresses. It is an indication of the extent of the gun lobby. The sample I have here is one of the many that have come in and it bears a certain address in Winnipeg.

It is interesting that a half dozen of these letters came in with what was obviously a company name that was blotted out on the top. The wording is much the same but with different addresses and names.

It has been a rather naïve propaganda campaign and it misinterprets completely the intent of the bill and the non-partisan approach taken in presenting the bill in this chamber. We are concerned with trying to devise a piece of legislation which will help to control the use of firearms. Apropos of this, it is interesting that the gun lobby suggests that most murders are committed with hand guns. This is not true. As Senator Prowse pointed out last night, roughly 60 per cent are committed with rifles.

As Senator Manning said, if you are going to murder someone, you do not need to have a gun; you can club a person to death or strangle him. But if you have to face a person eyeball to eyeball, the chances of carrying out your objective is somewhat reduced.

I was surprised to learn, in reviewing the statistics, that the percentage of fatal attacks by knife are about 60 per cent of those by guns; but I am not going to get into a discussion on that.

In line with Senator Molgat's suggestion, if this bill is given second reading, I will move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs, where we should invite people like Mr. Passmore of the Canadian Wildlife Association, and representatives of the Dominion Rifle Association, and others. Senator Molgat made an excellent suggestion, that we should invite representatives of Indian bands. Anyone else with a legitimate case to put forward should be heard, of course. We will give an opportunity to people with different viewpoints to present their case and help us to evolve a piece of legislation which will be of the greatest benefit to the greatest number of Canadians.

Hon. Mr. Connolly (Ottawa West): Is it clear that the prohibition contained in the bill does not in any way affect the choice of weapons, including machine guns and that type of weapon, by any of the armed forces or police forces in this country?

Hon. Mr. Cameron: That is a good question. There is no reference to its relationship with the armed forces, which I think is something that must be spelled out. But the committee will do this.

Take as an example this man who wrote the letter which I read. I do not know what sport there is in using a machine gun in your backyard, and I do not know how many people wish to have a machine gun, but he says it is an infringement of his basic rights if he cannot have some type of machine gun. However, this will be discussed in committee.

Honourable senators, I move second reading.

The Hon. the Speaker: It is moved by the Honourable Senator Cameron, seconded by the Honourable Senator Burchill, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Macdonald: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Senator Cameron, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

NORTH ATLANTIC ASSEMBLY

EIGHTEENTH ANNUAL SESSION, BONN, WEST GERMANY—DEBATE ADJOURNED

Hon. Hazen Argue rose pursuant to notice:

> That he will call the attention of the Senate to the Eighteenth Annual Session of the North Atlantic Assembly, held at Bonn, Federal Republic of Germany, 20th to 24th November, 1972, and in particular to the discussions and the proceedings of the Session and the participation therein of the delegation from Canada.

He said: Honourable senators, I feel that I have a difficult task to perform this afternoon because what I am going to say is called, in Senate parlance, a travelogue, and this travelogue results from the fact that I was on a junket. Most people think of a junket as a trip on which one had a great deal of pleasure, and almost no work. Well, I am certainly no authority on junkets.

I was elected to the House of Commons in 1945 and served there for 18 years. I have been in this chamber now for some seven years, and this is my first off-the-continent junket in all that time.

Some hon. Senators: Hear, hear.

Hon. Mr. Argue: I have never spoken on junkets, and I have never asked to go on a junket. On the few occasions when I was offered a junket I said that I had some other things I wanted to do, and I was sorry but I would have to refuse. On this occasion I was asked by my leader, Senator Martin, and was pleased to accept.

I am certainly no instant expert on NATO or the North Atlantic Assembly. But perhaps someone who is inexperienced is able to learn something. He is able to see things from a point of view that is somewhat different from that of someone who attends these conferences often and who is obviously an authority in the field.

I think that one of the criticisms that can be levelled legitimately and often at senators is that they do not have enough respect for the position they hold. Frequently, senators are not as proud as they should be of the role that they play, and so we say to ourselves, "This is another travelogue."

• (1450)

The House of Commons, however, has been envious for many years of the procedure that has been followed in this place, whereby senators attend such international conferences as delegates representing the Parliament of Canada and report subsequently to their colleagues. It was mentioned to me during this trip that the Senate is a great vehicle for such reporting. I was surprised to learn that the House of Commons on March 1 of this year, and for the first time, as far as I know, in its history, decided, by way of a motion of Mr. R. Gordon Fairweather (Fundy-Royal), to adopt a similar reporting procedure. The motion provided as follows:

That, in the opinion of this House, note should be taken of the Inter-Parliamentary Conference on European Co-operation and Security held in Helsinki, Finland, from January 26-31, 1973.

I congratulate the House of Commons for, after so many years, finally catching up to a procedure which we in the Senate have followed for a long time.

I was told by someone to speak for 10 minutes and by another to take as long as I wished, so I do not know how long my speech will be.

Hon. Mr. Choquette: Did anyone tell you not to speak at all?

Hon. Mr. Argue: I think one would have done so had I pressed him, because it was also suggested that I just table a document. However, I have not prepared such a document, so he was kind enough to give me 10 minutes.

In any event, I think I should read the list of Canadian members of this delegation. Senator Paul Yuzyk was one member, and I was the other, from the Senate. The others, all members of the House of Commons, were Mr. Peter Bawden, Mr. Herb Breau, Mr. Oza Tétrault, Mr. Marcel Lessard, Mr. Robert McCleave, Mr. Jack Marshall, Mr. Arthur Portelance, Mr. Paul Langlois, Mr. Terrance O'Connor, Mr. Donald Munro, Mr. Kieth Hymmen and Mr. Ian Watson.

I know that Senator Yuzyk will make a report, and I am certain that he will do a much more capable job than I. After my sketchy comments, he will undoubtedly refer to many of the important matters.

We were privileged to be afforded the opportunity to have our wives accompany us. I am sure they were all very pleased with the accommodation and reception we were given. I must express my personal gratitude to Colonel T. G. Bowie of the Inter-Parliamentary Relations Branch for the efficient manner in which he handled the arrangements for the delegation. Our delegation was led by Mr. Ian Watson, M.P., who was pinch-hitting as leader for one of the former members of Parliament who had suffered defeat in the election. In my opinion, he was an outstanding leader and he himself accomplished a great deal, as did the remainder of the delegation. This fact, I am sure, will be indicated in the record of the North Atlantic Assembly.

We arrived in Bonn at the time of a huge snowfall and I could scarcely tell that I was away from Ottawa, thinking we had left winter to arrive in winter. The snow, however, melted in a couple of days and I was told that it was the most snow that had fallen on Bonn in any of the last three winters.

Hon. Mr. Buckwold: Would that have been the Saskatchewan influence?

Hon. Mr. Argue: I am glad my friend Senator Buckwold has returned from a trip during which he experienced weather which was a good deal kindlier than that of Bonn, Germany. He looks very fit, and has a good tan. I hope he will give us the benefit of some of his experiences.

I am new at this, so perhaps have different reactions from those of others. We were accommodated at the Hotel am Tulpenfeld which, translated, I understand is the hotel amongst the tulips. It was a beautiful hotel, and my wife and I had a lovely room. My wife discovered the cost was 150 marks, which in our currency is approximately $50, per day. I said: "Oh, my gosh; this is no place for me. I cannot afford this," So I telephoned the desk and asked to be transferred to a less costly room. There did not seem to be any particular answer, but two hours later there was a rap at the door and we were told it was time for us to move to another room. Having moved, we found that the new room cost 100 marks a night.

As honourable senators who have been on these junkets know, we are given a kind of honorarium out of which we pay our own way, which is a good and sensible procedure. I know senators will agree with me when I say that we must be frugal with the amount given if it is desired to make it cover a substantial part of the expenses. Our experience was that out of the 10 night overseas, seven in this hotel cost $275, so there was not much left for other expenses. However, we had a very enjoyable time in Germany, and I certainly enjoyed the conference.

We took the opportunity to hire a small car and the following weekend were able to make a very quick visit to parts of Belgium, Luxembourg, France and Switzerland. I have driven a car for almost as long as I can remember, and have been exceedingly fortunate as I have never been involved in a serious accident. I was driving this little Volkswagen down the autobahn, which has no speed limit other than that which the Volkswagen is capable of achieving, when a high-powered car with dual exhausts came up beside us. All of a sudden there was a huge explosion, just as though the sound barrier had been broken and the windshield of the Volkswagen split in a thousand pieces and we could hardly see a thing. We pulled over to the side, and the glass trickled down. It was an experience we shall always remember. We were a few miles from Basel, Switzerland, and were able to hobble in there on a Sunday and change the car for another.

Certainly we could tell by travelling Europe that it is prosperous—Germany particularly so. I am always intrigued when travelling on a huge highway such as the autobahn in Germany that, although a great number of trucks use it, a Canadian hardly ever sees one of a make that he recognizes. In the absence of Fords, GMCs, Dodges and so on, it can be readily recognized and felt that it is a different country.

We arrived in Germany at a time when international tensions had been reduced to some extent. It was following the Berlin Treaty, the recognition of two Germanies and Germany's entry into the United Nations. The general election took place on that Sunday, and we witnessed the winning by Herr Brandt of an increased majority. He had headed a coalition government. When he went to the electorate his representation was exactly even with that of the opposition, and a smaller minority party, the FDP, had supported him. It was with great interest that I noted that the SDP, the party of Mr. Brandt, had increased its popular vote from 43.7 per cent to 45.9 per cent. The FPD—a smaller party, whose policy suggests to me that it is something similar to the Liberal Party in this country—increased its percentage from 5.8 per cent to 8 per cent.

• (1500)

So, a coalition government can perhaps be effective, can face an electorate and win a majority; and perhaps the

smaller party can stay alive in that kind of an arrangement and make progress and gain support to a somewhat greater extent than the larger party in a coalition. As I said, with our political situation in Canada, I found this somewhat interesting.

The background of the NATO conference seemed to me to be one in which tensions between East and West were being reduced. That feeling was welcomed by everyone. However, there was a feeling, particularly on the part of leaders of NATO, that while this was welcomed, it constituted something of a danger to the Western Alliance in that if member nations felt too comfortable they would be less inclined to support large budgets for military expenditure and might become less enthusiastic partners of NATO. Nonetheless, I received the impression, which I certainly welcomed, that tensions were being successfully reduced.

I appreciate that there are many members of this chamber who are greater authorities than I on international affairs. Nevertheless, I would point out that a Conference on European Security and Co-operation was held in Helsinki towards the end of November last. A further meeting of the conference, which has been promoted, in the main, by the Soviet Union, is scheduled to be held. As I understand it, the countries of the Eastern bloc are most anxious to have made available to them more of our technical assistance, our technical know-how, and perhaps even large sums of Western capital. They are therefore promoting the European Conference on Security and Co-operation as an economic measure, as a means of improving the economic situation in their area.

The West, on the other hand, is promoting a freer exchange of people and ideas. It feels very strongly that steps should be taken to unite families, that a freer exchange of ideas and of people should be undertaken at the level of ordinary citizens rather than limiting it to the leading artists and technicians of a country.

NATO has promoted a Conference on Mutual and Balanced Force Reduction as a second or parallel conference to the European Conference on Security and Co-operation. The East has raised the question of extending the conference to all European nations, whereas NATO takes the position that the conference should be between the NATO and Warsaw Pact nations, and should deal with the question of mutual and balanced force reductions in a way that would reduce the military burden on all nations involved and thus make it possible for a real and secure peace to be obtained.

It was noted throughout the conference that the first round of SALT talks had been successful. The second round is now coming up and it is hoped that it too will be successful. That, honourable senators, is the economic and military background in which the conference was held.

The Canadian delegation had as its adviser a well-known friend of the Senate, Mr. Peter Dobell of the Parliamentary Centre for Foreign Affairs and Foreign Trade. Mr. Dobell is an outstanding authority in his own right. The delegation rose early in the mornings and held breakfast briefings prior to attending the conference.

I do not know precisely in which way honourable senators would wish me to report on the conference. I intend, however, to speak on five or six of the resolutions that appealed to me as being highlights of the conference. Most of them are resolutions in which Canadians played a distinguished part in having them passed.

One resolution which appealed to me as being of importance, and which was sponsored by the American delegation, dealt with the danger existing in our modern society of nations being able to modify the weather in such a way as to create real dangers for mankind—excessive rainfall and flooding—and take action which might bring about earthquakes and tidal waves which could be used, in a sense, as military weapons. The following resolution was passed:

> Recommends the North Atlantic Council:
>
> to endorse through the Member Nations the urgent introduction of an ecological-environmental treaty which would prohibit, except for peaceful purposes and for the betterment of mankind, and for purposes which have no adverse effect on the ecological balance, the use of any ecological-environmental or geophysical modification.

Another set of resolutions which appealed to me demonstrated that the members of the North Atlantic Assembly were interested in the assembly not merely as a forum for parliamentarians to make presentations on military questions, but as a place where committees might be set up to assist nations in dealing with some of the important questions facing us all. The NATO Assembly, therefore, has a Committee on the Challenges of Modern Society. This committee presented resolutions, which have been adopted, dealing with steps that should be taken to protect the environment.

Another committee deals with the question of technological development in Western societies, with a view to bringing about greater employment and happiness. It might be useful for me to read the terms of the resolution that was passed:

> Recommends the North Atlantic Council:
>
> (a) to urge the Member Countries of the Atlantic Alliance to heed the unfortunate consequences of unrestricted application of technological development for the structure of employment and work satisfaction, as well as for the entire quality of life and the general balance within the Alliance;
>
> (b) to recommend Member Countries to take such steps as appear necessary through the Committee on the Challenges of Modern Society (CCMS) in order to:
>
> (1) evaluate studies concerning the present situation regarding the distribution of manpower, the structure of employment, professional training and technical development in the various societies grouped within the Alliance; and the underlying causes of the lack of employment, especially for young people;

• (1510)

> (2) establish general guidelines which could be applied to technical development, wherever appropriate, and to also an employment policy, both of which should be consistent with a healthy human environment.

I think the action of the North Atlantic Assembly in promoting such resolutions and such studies shows that the North Atlantic Assembly and NATO do recognize some of the very urgent modern economic problems that face the member nations, and that the assembly is prepared to give some leadership towards their solution.

Another resolution that was passed had to do with the situation in Greece. The North Atlantic Assembly went on record that it would support whatever steps were practical in the hope that parliamentary democracy would be restored to Greece at an early date.

The Canadian delegation was composed of seven Liberals, six Conservatives and one member of the Social Credit Party. There were a number of new members from the House of Commons on this delegation as compared to the personnel of the delegation that had been drawn up before the election. There were more Conservatives and more new members of Parliament, and their wives accompanied them. The Canadian Ambassador was very helpful to the delegation. He entertained the delegation one evening and on another evening some members of his staff invited us to their homes.

One thing that interested me was that some heated arguments took place between some of the Conservatives and some of the Liberals, particularly between the wives. One could see that, after having fought an election, the members of either party elected for the first time believed that their political opponents were really personal enemies, that nothing good could come from a person who belonged to that "other political party." So, the stage was set for a great clash. I sat back and watched these things with some amusement.

Relations improved day by day. Mr. Robert McCleave, who is now the Deputy Speaker in the other place, seemed to lead the Conservative members into deciding that the Liberals were, after all, just people—that they might be a bit mistaken in some of their ideas, but they were not really bad fellows after all.

A resolution which was strongly sponsored by the American delegation had to do with asking the member countries of NATO to pay part of the costs of Radio Free Europe. It had been demonstrated by the evidence we were given that Radio Free Europe had been operating, at least in part, for many years on money supplied by the Central Intelligence Agency, the CIA. The Canadian delegation, because of the disclosures in the United States as to where this money had been coming from, felt that it was not the responsibility of Canada to assume any part of the budget of Radio Free Europe.

Those senators who have been on these international delegations in the past will recognize that the American Congress sends capable and outstanding individuals to these conferences who have great resources at their disposal, such as research people and attendants. Every morning the American limousines arrived at the conference with the American delegates. They brought a good deal of pomp and ceremony with them. They are extremely capable people and great debaters.

On the question of Radio Free Europe, the leadership of the Canadian delegation was undertaken by Mr. McCleave who, as I have said, is a Conservative member of Parliament and now Deputy Speaker in the other place. The vote, on the motion supporting a contribution to the budget of Radio Free Europe by the member nations, was taken first in the Technical Committee, and the motion was defeated by a large majority. That same resolution was also before the Political Committee, and Mr. McCleave was able to transfer himself from one committee to the other. In the Political Committee he put forward his ideas which, in general, were supported by the Canadian delegation. He got into a tremendous slugging match with Senator Case of the United States, a very capable politician, and I thought Mr. McCleave gave a very good account of himself.

The American and German delegates seemed to get along very well together. The United States is a large, prosperous and powerful country, as is Germany, and the delegates from those two countries seemed to have a great deal in common. Of course, if the German delegation was divided into the various political parties, they would come out with somewhat different ideas. In any event there seemed to be a good deal of co-operation between the German and American delegates in promoting this motion.

As an observer, I was not sure whether it was going to pass or not. The chairman did something that I thought rather cute. He did not put the question on the motion. Instead, he asked the members of the committee whether or not they wished to take a vote on the motion. He did not put the motion itself, but asked whether a vote should be taken. And the vote on that question was a tie. So, the resolution was dropped, and as a result was not presented to the Political Committee. I guess no one was terribly embarrassed. The Canadian delegation, beyond all question, turned the tide on this resolution. If the Canadian delegation had not been there or had not taken a strong stand, I am sure that that resolution would have been carried.

Mr. Watson in one of the committees took a strong position with respect to a couple of other resolutions, one of which had to do with the fisheries problems in the North Atlantic. He pointed out that Canadian fishery resources were being depleted, and that pollution of the sea was a great danger. Because of the motion he put forward, a strong resolution was passed by the North Atlantic Assembly. It reads, in part, as follows:

> Considering that certain maritime resources indigenous to the North Atlantic area are being seriously depleted, generally or in local habitats, or are threatened with extinction, as a result of uncontrolled exploitation;
>
> Considering that various types of pollution pose an increasing threat to coastal populations of marine life;
>
> Instructs the Scientific and Technical Committee to appoint a Rapporteur charged with the preparation of a full report on this situation as it applies to the North Atlantic, and, in particular to:
>
> (a) pinpoint depleted or endangered marine populations; and
>
> (b) determine the areas of potential collaboration between the Members of the North Atlantic Community in using the full range of surveillance facili-

ties, including satellites, to monitor fishing operations, fish migrations and pollution dangers.

Another resolution was advanced by the Canadian delegation and Mr. Watson suggested that within the NATO countries there should be set up a data bank for parliamentarians. If such a data bank were available I understand it would operate in this way, that a senator, for example, who wished to make a speech on a certain topic, would be able to tune in, or dial in, or whatever one does with a data bank, and get all the most recent information on the subject immediately. This would be extremely useful to parliamentarians in all of the countries. The resolution concludes as follows:

• (1520)

> Instructs the Scientific and Technical Committee to appoint a Rapporteur who would be charged with determining whether the OECD is proceeding with the feasibility study referred to above and, in the absence of any such OECD action, to himself report back to the North Atlantic Assembly on the feasibility, including approximate costs, of a joint parliamentary data bank system.

A resolution on air piracy was before the Political Committee, but the initial resolution was brief and somewhat weak. The Canadian delegation brought in what was really a substitute resolution, because it was much more comprehensive and stronger. This resolution was adopted as well, and I might be pardoned if I read it into the record:

> Urges the Member Governments of the Atlantic Alliance:
>
> (a) to press for the outlawing of air pirates and terrorists by adopting a system of sanctions directed at governments which aid or shelter hijackers or terrorists, or which fail to extradite them, by refusing to allow the landing or servicing of aircraft from the national airlines of the countries concerned or by cutting off other air services to them, or by suspending foreign aid to those countries;
>
> (b) to authorize mutual assistance and the exchange of research and information for the purpose of developing sophisticated screening devices to detect weapons and other explosive devices carried by aircraft hijackers, and as well as information concerning terrorists and hijackers themselves, through Interpol and all other means;
>
> (c) to make the offence of aircraft hijacking punishable by severe penalties; and
>
> (d) to ensure, at the earliest possible moment, the ratification and implementation of the Convention for the Suppression of Unlawful Seizure of Aircraft and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation and support the current efforts of the International Civil Aviation Organization to elaborate a further Convention.

That was a most comprehensive and constructive motion, adopted by the North Atlantic Assembly through the initiative of the Canadian delegation.

There is only one other item to which I wish to refer, and that is the mandate of the so-called Committee of Nine, chaired by Senator Javits of the United States. This is the committee of nine distinguished persons from various countries within the organization, who have been given the task of assessing NATO's accomplishments, and some of the chief problems—military, economic, political and social—affecting the member countries, to recommend how NATO and the North Atlantic Assembly can play a useful role in the fu'ure, and to bring in a report.

Senator Javits initially was to bring in a report in November 1972. He came before the North Atlantic Assembly and asked for an extension of one year. He had certain researches going on, and only one part of his report had been prepared. It is interesting to note that the only section of the report of the Committee of Nine that was available at the time had been prepared by our own Mr. Peter Dobell. It contained some recommendations on how the North Atlantic Assembly might function more efficiently.

I do not want to spend a great deal of time discussing this excellent report. I shall refer to only a couple of suggestions made by Mr. Dobell. One was that the North Atlantic Assembly should not report, as it now does, exclusively to the North Atlantic Council, which is a council of ministers of the nations involved, but that the North Atlantic Assembly itself should report its deliberations, conclusions and recommendations to the governments involved. In a sense, I am doing this in the Senate this afternoon and it may be done in the other place. This may be the Canadian way of bringing the results of the assembly meeting to the attention of all parliamentarians, and to the Canadian government.

A further recommendation of the Dobell report was:

> Specific parliaments should also be urged, where appropriate, to give more formal standing to their arrangements for participating in the Assembly. National parliaments should be invited to meet certain standards for the appointment of delegates: (a) a fixed term of appointment, preferably a minimum of three years; (b) some change in delegates over time; (c) the appointment of alternate delegates; (d) the assignment of delegates with demonstrated interests to specific committees; and (e) an opportunity for delegates to report back to their national parliaments.

This report, drawn up by Mr. Dobell and put forward by Senator Javits, was, in general, given approval by the North Atlantic Assembly.

Honourable senators are already aware that there has been appointed from among their number a Canadian representative on the Committee of Nine to fill the vacancy created by the passing of the late Right Honourable Lester B. Pearson. The man who is to do this work is Senator John Aird. I think we can take, as we do, some satisfaction from the fact that a member of the Canadian Senate has been chosen, because of his expertise, his interest and his knowledge, and because he is already well known in the international field, to be the representative of Canada as a member of this Committee of Nine.

Hon. Senators: Hear, hear.

Hon. Mr. Argue: Honourable senators, I am no expert on international affairs. I found it hard going to gather together the information that went into this report. I enjoyed being at the conference. I feel that I learned a lot,

and I hope I have brought back some useful information. I did my best, as a member of this delegation, to occupy the position that would have been occupied by Senator A. Hamilton McDonald if his health had been good. I only regret that "Hammy" himself could not go. He made an outstanding report to the Senate when he attended the North Atlantic Assembly a year ago. I realize that my report has been inadequate compared to his. Nevertheless, I consider it an honour and a privilege to have had the opportunity to attend the North Atlantic Assembly, and in particular to report to the Senate this afternoon.

On motion of Senator Smith, for Senator Yuzyk, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 22, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of Information Canada for the fiscal year ended March 31, 1972.

Report by the Textile and Clothing Board to the Minister of Industry, Trade and Commerce respecting acrylic yarns, dated December 20, 1972, pursuant to section 19 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72.

Report by the Textile and Clothing Board to the Minister of Industry, Trade and Commerce respecting men's and boys' shirts, dated December 20, 1972, pursuant to section 19 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72.

Report on the administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1972, pursuant to section 35 of the said act, chapter 25 (1st Supplement), R.S.C., 1970.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED AND PRINTED AS APPENDIX—DEBATE ADJOURNED

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, presented the following report of the committee, to which was referred the Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1973, and asked that the report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house.

The Hon. the Speaker: Honourable senators, is it agreed that this report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house?

Hon. Senators: Agreed.

(*For text of report, see appendix "A" pp. 385-391.*)

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

Hon. Mr. Everett: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f) I move that this report be adopted now.

Honourable senators, the report, which will be printed as an appendix to today's proceedings, deals with supplementary estimates (B) for the fiscal year ending March 31, 1973. This supplementary estimate totals $435 million, of which $325 million are budgetary expenditures, $203 million of which are to be voted by Parliament, and $122 million of which are statutory.

It also includes $110 million of loans, investments and advances. This means that the total expenditures for the fiscal year ending March 31, 1973, will be $18,216,000,000, of which $1,717,000,000 will be loans, investments and advances, and $16,499,000,000 will be budgetary expenditures.

It is proposed that for next year the total expenditure will be $18,393,000,000 for budgetary expenditures, plus another $893 million, for a total of $19,286,000,000 to be expended in the fiscal year 1973-74.

I should like to read for honourable senators the figures showing the magnitude of the increase in budgetary expenditures by the federal government over roughly the last 10 years:

Year	Budgetary Expenditure
1964-65	$ 7,200,000,000
1965-66	7,700,000,000
1966-67	8,800,000,000
1967-68	9,800,000,000
1968-69	10,700,000,000
1969-70	11,800,000,000
1970-71	13,100,000,000
1971-72	14,800,000,000

• (1410)

I have just given you the expenditures for 1972-73, which amount to $16,499,000,000. This is before any supplementary estimates. The estimate for 1973-74 is now $18,393,000,000. So that in the last 10 years, exclusive of the addition of supplementary estimates, which we will have on two occasions for this coming fiscal year, the expenditures in budgetary items—and this does not include loans, investments and advances—have gone from $7.2 billion to $18,393 billion. That is a considerable increase on any basis—percentage, dollar volume, or whatever basis you wish to put it on.

That is the result of the desire of the Canadian public for services and for services which have to be paid for. For example, the budget for National Health and Welfare has gone from $1.800 billion in 1964-65 to a proposed $5.105 billion for 1973-74.

What this means, according to the book *How Your Tax Dollar Is Spent*—and this is a very useful book which I recommend to all honourable senators—is that 37.6 per cent of the gross national product in 1971 was spent by all levels of government. I would venture to guess that that figure will be even higher for 1972-73 and 1973-74. I

remember reading in an economic textbook that if the level of total government expenditures exceeded 25 per cent of the gross national product, the economy was in the danger area, and that at 40 per cent, the amount of freedom left to the private sector was seriously curtailed. And yet this 37.6 per cent, which, as I say, will probably increase for the coming fiscal year, does not cover it all. It does not cover the control over expenditures that is retained by governments, but which, nevertheless, are not reflected in the blue book. For example, there is a loan, investment and advance of $230 million, if I recall correctly, which is to cover the deficit of the CBC. However, that does not cover the total operating budget of the CBC, and it is the total operating budget that makes up the gross national product.

So if we were to take the 37.6 per cent and extrapolate it and include therein the expenditures that are not part of the estimates, but which are controlled by governments in Canada, I venture to say that we would be staggered by how much the rights of the individual citizen in Canada have been eroded by the intervention of governments.

If Parliament did nothing else, its time would be well spent in finding the reason for every program.

I am not being partisan in my remarks. I am sure others will take my remarks and run down the football field in a party way. I do not think you can apply this to any single government, because wherever you look this tendency to higher and higher expenditures and less and less control over those expenditures persists.

One of the things that bothers the Standing Senate Committee on National Finance is that every year it appears that Parliament has less and less control over the way in which government expends money. Let me give an example. I believe that at the present time Polymer Corporation is a crown corporation under the Financial Administration Act. Its financial results are tabled in Parliament. Polymer Corporation is going to be sold to the Canada Development Corporation.

Hon. Mr. Argue: It has been sold.

Hon. Mr. Everett: I said I was not sure. Thank you for correcting me.

Hon. Mr. Argue: The deal has been made.

Hon. Mr. Everett: The deal has been made. The principle is exactly the same whether the deal has been made or not. As a matter of fact, it reinforces the point. There appears to be no requirement for the Canada Development Corporation to have its report tabled in Parliament. Under the Financial Administration Act, because the Canada Development Corporation is not a crown corporation, the CDC does not have to report to Parliament. In our report we recommend that the financial report of the CDC be tabled by the minister in Parliament. The operation of those two acts and the sale of Polymer to CDC means in the long run that it is possible that both Polymer Corporation and the Canada Development Corporation may end up not reporting to Parliament.

Another thing that worried the committee a great deal was that authorizations are granted to Treasury Board to expend large amounts of money on terms and conditions that are approved by Treasury Board, but for which Treasury Board does not have to report back to Parliament.

For example, we came across a loan to Canadair Limited, vote L16b in the supplementary estimates of the Department of Industry, Trade and Commerce:

> Loans to Canadair Limited in the current and subsequent fiscal years in accordance with terms and conditions approved by Treasury Board for the financing of water bomber aircraft, $14,004,000

The explanation given is that this is an amount that will be used to inventory the surplus production of water bomber planes by Canadair, enabling Canadair to lower its unit production costs so that out of 20 planes produced 10 will be sold and 10 will be carried in inventory, and this loan will finance the carrying of that inventory. What Parliament is granting is $14,004,000. The terms and conditions are set by Treasury Board, and so far as we can tell there is no requirement for Treasury Board to refer back to Parliament the terms and conditions and repayment requirements, and any other requirements that attach to that loan.

Those are two of the many items we covered during our committee hearing. I will conclude by saying this. Expenditures by governments throughout Canada are rising at a frightening rate. Less and less do parliamentarians seem to have control of those expenditures and their magnitude. More and more we, as parliamentarians, have to give consideration to means and methods, and if it becomes necessary to buttress parliamentary committees who are responsible for examining government expenses with more expert help, then I say that is probably the cheapest insurance that people can buy.

Hon. Mr. Forsey: I wonder if the honourable senator would mind my asking a question. He spoke of having got from some economic textbook the idea, the theory, the assertion, that if government expenditures run to more than 25 per cent this was unfortunate—I have forgotten the exact term he used—and if they got up as far as 40 per cent, then the economy was in the danger area. I should be interested to know, because I find it hard to understand by what process of ratiocination such an assertion could be supported.

• (1420)

Hon. Mr. Everett: I will send the honourable senator an article, by George Perry of the Brookings Institute, which deals with this particular subject and will explain it far better than I can.

Hon. Mr. Goldenberg: Has the honourable gentleman read Galbraith on the rise of government expenditures?

Hon. Mr. Everett: It depends on which Galbraith book you are referring to. I read *The Affluent Society* and stopped there on Galbraith. What is his next book called, the *Industrial*—

Hon. Mr. Argue: *The New Industrial State.*

Hon. Mr. Goldenberg: I do not think I would quote George Perry against John Kenneth Galbraith. I think Perry was the name you used. I would have more faith in Galbraith.

Hon. Mr. Everett: That is your choice. I have more faith in Perry.

Hon. Mr. Argue: Does Galbraith say 100 per cent?

Hon. Mr. O'Leary: I would like to ask one question. Can he tell me if it is true that Canada spends a higher percentage of gross national product than any other country in the world with the exception of Sweden?

Hon. Mr. Côté: On what?

Hon. Mr. O'Leary: On anything. What are you asking questions like that for? Why don't you sit outside? I speak of the percentage of the total expenditure by the government. Is it higher than in any other country in the world, with the exception of Sweden? Surely that is clear.

Hon. Mr. Everett: In a country like Russia the percentage of government expenditure of gross national product would be considerably higher than in Canada.

Hon. Mr. Deschatelets: May I ask a question about the CBC expenditure? Would Senator Everett be in favour of the CBC being granted, for a given year, a certain amount for its budget, and let them operate within that budget? Would he be in favour of the government placing a limit on CBC expenditures for a given year?

Hon. Mr. Everett: That is a difficult question to answer. I do not join in the chorus against the CBC. As an organization, letting it balance one way or the other, it probably does an excellent job. To put a limit on any expenditure and say that it will not go above that, under any circumstances, begs the question. It has been tried before—

Hon. Mr. Deschatelets: I am talking about the whole budget for a given year.

Hon. Mr. Everett: Very well. If you are talking about the budget for a given year, then indeed that is virtually what happens. We do budget our expenses for a given year, so there is no problem there. That is what happens already. If you are referring to a continuing ceiling on expenditures of any department, I am not convinced that that is the method that should be used to control expenditures on anything, because it becomes artificial in the end. We had control over the expenditures of the Department of National Defence, saying they would not go over a certain level, but it looks as though we had a small explosion in that structure. In the end, those structures are artificial. I do not think that is the way to control expenditures, either in business or in government.

Hon. Mr. Deschatelets: Still, I hope that I am right in saying that Senator Everett was expressing some complaint about the lack of control by government over the CBC.

Hon. Mr. Everett: I was merely pointing out, senator, that in the case of the CBC the $213 million appears in the estimates as being the advance to the CBC to cover its deficit. But I do not think that that covers the entire expenditure of the CBC. I was trying to say that the figure of 37.6 per cent does not include a number of expenditures over which the government has control, and I used as an example the CBC, where $213 million of the budget is shown as part of the estimates but the remainder is not shown. I suppose it would be shown in the public accounts or financial statements of the CBC, but not in the estimates.

Hon. Mr. Buckwold: It was indicated in your remarks, Senator Everett, that the percentage of the gross national product going to government has risen very greatly, and certainly it is always astounding to any of us to see federal expenditures going up from $7 billion to $16.4 billion in ten years.

Now, on the basis of the gross national product, the federal expenditure was about $100 billion or about 16 per cent. Could you give us the increase in the expenditures of the other levels of government, that is, provincial and municipal, in which you derive your total of 37.6 per cent of the gross national product? If you had that figure available it might be interesting to us, because I feel that you will find that federal expenditures have not really gone up as much as the amounts of money spent by provincial and municipal governments.

Hon. Mr. Everett: You make an excellent point, senator, for that indeed is the fact.

The total spending by all levels of government has risen from 30.8 per cent of GNP in 1961 to 37.6 per cent in 1971. Interestingly enough, the 1961 expenditure for the federal government alone was 15.3 per cent, and that dropped to 14.1 per cent in 1971, ten years later. So you would have to do some subtractions just to find out what the increase is.

Hon. Mr. Buckwold: It is an interesting point that you make, that as a percentage of the gross national product the federal expenditures have not changed very much. They are even down slightly. This really puts a good deal of the onus for increased public expenditure on the provincial and municipal governments.

Hon. Mr. Everett: I think that is right. I said that some people might take the football and run down the field with it in the political sense, but the point I was making was that there should be a surveillance of expenditures by Parliament generally.

Hon. Mr. Choquette: We cannot hear you, if you talk politically to the political man facing you. Face us.

Hon. Mr. Everett: We are good friends. I know if I face you I am going to get into trouble.

Hon. Mr. Choquette: The question is put to you politically, but we want to hear your answer. He is the political boy on that side, you know. He is the little hatchet man.

Hon. Mr. Everett: I am saying that Senator Buckwold makes an excellent point in that the percentage of expenditures controlled by the federal government has dropped over the last ten years, and the increase from 30-odd per cent to 37 per cent in 1971 is largely in the hands of provincial and municipal governments. But I went on to say that that does not deter me from my point, which is valid, that there has to be an increasing surveillance over expenditures at all levels of government.

Hon. Mr. Carter: Will the honourable senator permit one more question, to clarify the question raised by Senator Buckwold? Does the maximum figure for this year, $17 billion or $18 billion, include transfers to the provinces? Is the money made available to the provinces to be spent by them included in that figure, and, if so, what would be the net figure for the federal government?

• (1430)

Hon. Mr. Everett: I do not think I can give you that at the moment, senator. I know there is an estimate of the

amounts transferred to the provinces in the tax book which I have here. I shall try to find it and give it to you.

Hon. Mr. Manning: I should like to ask Senator Everett if he could enlarge a little on how far the committee's report goes in the matter of the Canada Development Corporation's reporting to Parliament. Unfortunately, I had to leave the committee before it concluded its hearings this morning. I believe you said that the recommendation was that the annual report of the Canada Development Corporation should be tabled in the House of Commons. To my mind, this matter is quite serious, because from the evidence given this morning it would appear that whenever the CDC takes over a corporation, this fact in itself eliminates the responsibility for making the report to Parliament which previously had been made by that crown corporation. It is hard to follow the logic of saying that it is proper that a crown corporation should report to Parliament, but that an organization such as the CDC, which as of now is financed 100 per cent from public funds, should not report to Parliament.

It would seem appropriate to me that the committee might recommend that the CDC be required to report to Parliament on the same basis as a crown corporation, at least as long as over 50 per cent of its funds come from public moneys. If at some time there should be more direct private involvement, then there might be some valid reason for making a change, but until such time as that happens, surely this would be an appropriate step to recommend.

Hon. Mr. Everett: Perhaps I can read to the house that portion of the report, which has just been tabled and which you have not seen, which deals with this.

> The Committee examined the relationship of Polymer Corporation, the Canada Development Corporation and the government and discussed with the Law Clerk and Parliamentary Counsel and the witnesses how the Canada Development Corporation is required to report its financial results. It appears that the Canada Development Corporation is not a Crown Corporation and therefore its financial reports are not required to be made to Parliament by either the Financial Administration Act or the Canada Development Corporation Act. As the government is presently the sole shareholder in the Canada Development Corporation, your Committee recommends that the Minister responsible table its financial statements annually.

Hon. Mr. Phillips: Honourable senators, perhaps as a member of the committee I am walking where angels fear to tread, but on the other hand I share the concern of the chairman that Parliament is beginning to lose its control over the direct surveillance of expenditures. I feel it is essential that we should not, with a $1 vote, tuck away $120 million in some other place and forget about it. We should continue our surveillance of that.

Honourable senators, I intend to move the adjournment of this debate. The various questions that have been put to the chairman—and obviously the report must have created some interest or we would not have received those questions—indicate to me that this is a matter of concern to all honourable senators. When we try to hide behind a certain economist such as Mr. Galbraith, I tend to get lost. I am not an economist. I am just one of those taxpayers who works until the end of May to pay all his taxes; then he has to live on what is left over from June 1 to December 31. When you mention the name Galbraith, I think of the story of Galbraith going skiing with a very conservative friend of his who did not exactly agree with all his writings. The friend was not very pleased with his performance on the ski slopes. He asked Galbraith how long he had been skiing. Galbraith replied, "About 30 years," and his friend said, "Yes, about the same time you have been writing economic articles."

I think that probably if we received less theory and more practical applications in our committee studies we would do much better.

Honourable senators, I move the adjournment of the debate.

On motion of Senator Phillips, debate adjourned.

[Hon. Mr. Everett.]

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 27, 1973, at 8 o'clock in the evening.

Motion agreed to.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

EIGHTEENTH GENERAL CONFERENCE, BLANTYRE, MALAWI

Hon. George McIlraith rose pursuant to notice:

> That he will call the attention of the Senate to the Eighteenth General Conference of the Commonwealth Parliamentary Association, held at Blantyre, Malawi, 13th to 27th October, 1972, and in particular to the discussions and proceedings of the Conference and the participation therein of the delegation from Canada.

• (1440)

He said: Honourable senators, I think I should make it very clear immediately that I have no intention whatever of entertaining you, or seeking to do so, with a travelogue. One reason is that, although my visit to Africa was tremendously interesting to me—indeed, the travel through the villages of Africa and the opportunity of seeing the life there was fascinating—I do not presume that country is outside the knowledge of many other honourable senators. I would only succeed in boring those senators, and, I assure you, I do not wish to do that.

I do not propose either to go through the detail of the conference sessions. To do so, in my opinion, is the wrong manner in which to report on our visits to other countries for the purpose of attending one conference or another. I prefer to follow what appears to be the practice now in the Senate of asking permission to table the report prepared by the Canadian Main Branch Delegation of its participation in the Eighteenth General Conference of the Commonwealth Parliamentary Association at Blantyre, Malawi, from October 13 to October 27, 1972. I have copies in English and French, and would ask permission of the

Senate to table them and, as I believe is the practice, to have them printed as an appendix to the *Debates of the Senate* of today.

The Hon. the Speaker: Honourable senators, is it agreed that this report be printed as an appendix to the *Debates of the Senate* of today and form part of the permanent record of this house?

Hon. Senators: Agreed.

(For text of report, see appendix "B" pp. 392-393.)

Hon. Mr. McIlraith: Honourable senators, I would also add that the summary report issued by the General Council of the Commonwealth Parliamentary Association is in print and, of course, available in the offices of the Commonwealth Parliamentary Association should any senator wish to obtain a copy.

There would be no useful purpose in my seeking to summarize, and repeat here in the course of debate, the wide range of discussion which took place at this tremendously interesting conference. There are, however, some comments I wish to make with respect to certain aspects of the trip. As a matter of fact, we might consider having the Standing Senate Committee on Foreign Affairs, if they wish to do so, assign a day for consideration of these reports. In this event honourable senators would have the opportunity to ask more detailed questions.

The delegation on this occasion was somewhat distinctive, for several reasons. The main reason was the fact that there was a general election taking place in Canada at the time, and among the delegates from the House of Commons were three members who were not seeking re-election.

Hon. Mr. Choquette: They would have been defeated, anyway.

Hon. Mr. McIlraith: I think not, and I do not think the honourable senator should speak in that way of members of his own party.

Hon. Mr. Choquette: That is right; many of them were.

Hon. Mr. McIlraith: In any event, the consequence was that this house had three representatives on the delegation. The distinction, from the point of view of the Senate, was that one of the delegates was Senator Fergusson, who is now our Speaker. I can assure you that her charm and ability were not unnoted at the conference.

I had the honour of leading the delegation, as I had in the previous year, when the Commonwealth Parliamentary Conference was held in Malaysia.

It is needless to say that we were well received by the Government of the Republic of Malawi. The arrangements made by them were complete, and included the traditional week of intensive visiting throughout the country. Incidentally, their ability to organize could well be studied and followed by certain of our governmental bodies. It was most efficiently done, and all aspects of their arrangements for the visiting delegations were carefully and thoroughly made. I find it a pleasure today to offer an expression of thanks to that country for those arrangements and for their unfailing courtesy, because that is the way I feel about them.

I might take a moment to draw attention to the constitution of Malawi. Within the Commonwealth too many of us are accustomed to thinking of parliamentary government in the traditional form as practised in the United Kingdom, Australia, New Zealand, and Canada. In point of fact, those countries form only a small percentage of the representation in the Commonwealth, and that form of government is not practised in all the countries. Not only is it not practised, but there is every reason why it has to be adapted in many of the countries of Africa and Asia, bearing in mind their historical background and the problems with which they are confronted. I propose to place a copy of this constitution in the Parliamentary Library, if they will accept it, which I suspect they will.

Parliamentary government in Malawi is built on a one-party system, so I also brought back with me the constitution of the Malawi Congress Party, and the rules and regulations governing its discipline in the one-party government system. I am sure that we would find certain provisions in the constitution of the party rather rigid from our point of view, more rigid, I suspect, than Canadians would accept—at least, I hope they would not accept some of them. However, it is well to remember that when countries such as Malawi are given their independence from colonial status, the bland assumption that we can give them a constitution based on our method of applying the democratic process and the simple universal suffrage, according to our concept, cannot be made.

For instance, when we bear in mind that the population has for a few thousand years been brought up according to tribal customs, and accepts tribal government in the villages under the village head man or chief—or whatever terminology is used from country to country—it becomes obvious that our form of independent voting cannot be made to apply. I hope that when honourable senators read articles criticizing some of the practices in these countries they will keep in mind the problems that exist there, together with the background and history of the peoples. All too often I have read articles which applied North American or European ideas to the practices which those countries have developed, and, with great deference, I would say that the conclusions are not correct.

• (1450)

The constitution of Malawi is rather interesting. It developed as a blend of the British parliamentary system, the congressional system of the United States, and local village tribal customs. In consequence, there is a presidential form of government with a life president. The life president of the republic is His Excellency Ngwazi Dr. Hastings Kamuzu Banda. In addition to meeting him on the formal occasions when he addressed the conference, I had the opportunity of meeting with him at some length in a private session. We had a thorough discussion of Parliament and the parliamentary process, as well as a few international problems. It was an opportunity that I valued very much.

The life president has executive responsibilities and performs the functions which in our country would be performed by the Prime Minister. He is not a prime minister as such, but the functions performed here by the Prime Minister are performed there by the life president.

In other words, the life president exercises executive powers.

The best way to describe the Malawi parliament is to say, as the life president said, that it is typical Malawi. It is modelled on the one-party system. The curious thing is that because members of the Congress Party only were elected to the legislature, and represent only one segment of the population, there is provision in the constitution that the life president can appoint 15 members to the parliament. He has, in fact, appointed five, and the word "opposition" is used in describing them.

I hope senators opposite will quickly disabuse their minds of any idea that the usage of the word "opposition" in Malawi is the same as its usage in our Parliament. The members of the opposition there are all experts in their different fields, such as finance, commerce, law, and so on. One is an expert in the operation of the tea estates. They are all Europeans, and have a considerably greater say in the parliamentary process than has a private member in this country.

Hon. Mr. Choquette: I think the Witnesses of Jehovah have made that very clear in their last number of *Awake.* Did you read that?

Hon. Mr. McIlraith: I shall comment on that later, if the honourable senator wishes.

Hon. Mr. Choquette: I hold no brief for the Witnesses of Jehovah, and I can say that this is the first number of *Awake* that I have ever read. It is certainly flabbergasting if they received the treatment that they said they received.

Hon. Mr. McIlraith: The article flabbergasted me. I wrote to the Witnesses of Jehovah recommending that they try to find out more of the facts and report more objectively than they did in that publication. But that is another subject. It is a very sad episode in current history, and I do not think any useful purpose would be served by my being diverted to that subject. It is a much less objective article than I would have wished to see published.

Returning to the Malawi parliamentary system, the benefits flowing from this feed-in, if you like, of Europeans who were eliminated from parliament when Malawi gained its independence are quite great. It is interesting to see what they have done.

The educational system in Malawi is also interesting. Malawi claims to be the most literate country in Africa, that its people have the highest degree of literacy. I believe that to be true. The reason for that, in a relatively poor country, is quite simple.

Honourable senators will recall that Malawi was formerly known as British Nyasaland. They will recall also the stories of Dr. Livingstone going into that country as a missionary. The missionary influence remained, and throughout the intervening years has been actively pursued. I must say that it is the one place in the world where I have seen the missionary influence at work in a way that surprised me, and pleased me greatly. First, the Scottish Presbyterian missionaries went into Malawi, and, later, other missionaries. The Roman Catholic Church is quite strongly represented there.

They have concentrated on two subjects—education and health. As a consequence, virtually the whole population is literate. The first state enterprise in the field of education was established in 1949. At present the country is engaged in trying to extend the educational facilities as rapidly as possible, and in this they are doing a good job.

It is interesting to note that the adviser on education or director of education—I do not know what one would call him—is a Canadian missionary who first went to Malawi some 32 years ago. He now works with the Government of Malawi under a contractual arrangement, and is setting up various schools, such as teachers' training colleges. These schools seem to be effective.

It is also interesting to note that wherever one goes in Blantyre and elsewhere one finds libraries. One senses a respect for education and a desire to receive an education, whether elementary or advanced. It is not common to find that these days.

In Canada a great deal is written about the somewhat similar driving force and respect for education of people of Scottish origin in our early history, and its effect on this country. However valid or invalid that is, certainly that type of drive is noticeable in Malawi. This attitude is apparent when one visits various schools in villages located in outlying areas. I found it a refreshing experience.

Incidentally, the day before yesterday I received a letter from a teacher there. One of the problems they face is that their school buildings have tin roofs, which make it necessary to close down the schools during the severe rainy season. As in Canada some schools are closed during severe snowstorms, so on certain days in rural areas of Malawi schools are closed because of the rain on the roof.

• (1500)

Hon. Mr. Smith: Because of the noise?

Hon. Mr. McIlraith: Yes, because of the noise. Incidentally, the prizes currently being awarded in that school are some ball-point pens which I happened to have with me, and which I did not want to carry back because of the weight factor, and also some Canadian emblem pins. These are, apparently, very well received.

In any event, the struggle for education is great. I cannot give the precise numbers, but I believe there are about 1,000 Canadians in that country at the present time, some of whom have been there for a good many years. These people are, for the most part, involved in the fields of education and health. Just by way of illustration, there is quite a prominent Ontario doctor now working in Blantyre. He retired early and his services were engaged by that country, and he is on their payroll. While we were there we visited with this doctor, a man I have known well for some years. He is the surgeon in the hospital at Blantyre. This is the type of assistance that is necessary; not the usual big infusion of money, and that sort of thing. This type of help is very important to them.

Another example is that of an engineer I met there. This chap was an engineer in the Public Service here in Ottawa. He retired early, under the provision whereby a public servant can retire at 60, and went over there and is doing the engineering work in the city. I mention those two just by way of illustration. There are many other programs.

I should also mention the work in the field of health which is carried out by some of the religious orders, particularly the nuns. Incidentally, the daughter of a long-

time employee of the House of Commons—a man I knew during my term there—is a nun in charge of a leprosy clinic in Malawi. This is indicative of the type of work Canadians are doing in that country.

There is one further matter of concern that I should speak about. The conference proceedings are described in the report I have tabled, and I do not intend to deal with the subjects that were discussed. It is my view that the greatest value to be derived from these Commonwealth parliamentary conferences lies in the discussion one can have with parliamentarians from all the other countries in the Commonwealth. I have found those discussions to be very useful. The meetings themselves sometimes provoke repetitious debates, such as we have in Parliament here, and take the form of propaganda, and a few other things. However, the opportunity to discuss various topics with parliamentarians from the other countries in the Commonwealth is valuable, and, indeed, for my part, useful.

Hon. Mr. Benidickson: May I ask the honourable senator a question? Does he feel there is a genuine friendship among the Commonwealth countries?

Hon. Mr. McIlraith: The answer to the question is a simple yes.

Before going to this conference I sought to obtain all the information I could about Malawi. While I got the utmost co-operation in that endeavour—and I want to acknowledge my appreciation and thanks for the help I did receive—I have come to the conclusion that our information and sources of information about that country are inadequate. They are not nearly what could be available, and we should take the steps necessary to improve the situation. We do not have any kind of representation in that country, and they have no representation here. However, they have a much better knowledge of Canada than we have of their country. Their Minister of Finance is a graduate of the University of Ottawa. He spent five years in Ottawa, during which time he was a frequent visitor to the gallery of the other place. Another minister whom I met, and talked a good deal with, received all his training, except for a post-graduate course at one of the universities in Asia, from Canadians in the field of education.

Steps have been taken to provide representation by way of including Malawi in the area covered by one of our missions abroad. I do not think that is the proper way to handle this situation. Rather than create a high commissioner or an ambassadorial office in that country, and have reciprocal arrangements here, we could accredit an official of lower rank, possibly a trade commissioner or a consul general. Canada should not be represented in Malawi by an officer whose main concern rests with another country. In my opinion, it is a bad thing to approach representation from that point of view. I feel there should be direct representation, and I hope that action will be taken in that respect in the not too distant future.

It is clear from my discussions there that there is a need for constant communication with the parliamentarians of that country. One of the things that would be of assistance to that country is intelligent communication, co-operation and understanding at the parliamentary level. It is curious, but the more trips I make to these Commonwealth conferences and the more work I do with respect to Commonwealth matters—and this is something I used to work on, but have been away from for many years—the more I am convinced that the mere paying out of money in the form of aid is not the answer to the problems with which these countries are confronted. A well-informed, intelligent understanding of their problems with, if necessary, some financial assistance, would be more effective.

That will be somewhat of a shock to those who approach these matters in a more simplistic way and believe that the almighty dollar is the be-all and end-all existence. Nothing in my experience would support that.

The one-party system of government, of course, varies so sharply from country to country that one must be very careful in discussing it. It can be perverted into a very dictatorial form of government. That is always a danger, but there is also another one. Assuming the one-party system is created for proper, altruistic purposes—to take care of the tribal system, for example—when it comes time to make a change the machinery necessary to guarantee the proper transition from one type of government to the other, as is inherent in the British system, is not always available. There is that weak spot. I came to the conclusion that some countries were seeking to adopt the one-party system as a means of cementing authority and power for purposes that are not as altruistic as they should be. Others have adopted it for very good reasons.

• (1510)

Incidentally, I obtained copies of the speech made by His Excellency the Life President in addressing the conference. I also obtained copies of several other speeches he made over a number of years, dealing particularly with matters in South Africa. If honourable senators are interested in seeing them, I shall be happy to make copies available. Many of them are interesting and, indeed, very enlightening.

There was something else that arose out of this trip, and to which I made reference on January 11, in the debate on the Throne Speech. After the conference I went to the Republic of South Africa on my own responsibility as a private tourist, to see what I could about some aspects of government and life there that were troubling me. Again, I must say that that visit was interesting and fascinating. I did not on that occasion concern myself with meeting various leaders. I went privately to find out what I could.

South Africa, of course, is a great country, and it is regrettable that South African parliamentarians were not at the Commonwealth Parliamentary Conference. I deplore the fact that the parliamentarians from that country and the parliamentarians from this country are not meeting together. That separation, in the long term, offsets the efforts of people who are seeking to maintain peace in the world. Whatever the justification for the circumstances that brought about the separation of South Africa from the Commonwealth, the consequent loss of the exchange of views between its parliamentarians and ours is a loss indeed. It cannot be interpreted in any other way.

I hope that members of this Parliament, of both the Senate and the other place, will, in whatever way possible, seek to visit that country—which, incidentally, is a very pleasant one—to contact parliamentarians there. I know

for a fact that such a visit would be useful to Canadian parliamentarians, and that South African parliamentarians would value it too.

When anyone speaks of the Republic of South Africa, the problem of apartheid is raised. The discriminations of apartheid must, and indeed do, shock most Canadians. However, there is in Canada a shockingly one-sided supply of information published and printed. Mixed up with the discriminatory practices that we dislike are other elements in that same program that are being administered well, but nothing is published or told about them here. I sometimes think that the representatives of our media who go abroad see only what they intend to see, and not the facts. Their reports are beautifully written, but quite uncontaminated by the facts.

Apartheid is a difficult subject to speak about, because when you seek to point out the good things you are immediately in danger of being accused of acquiescing in some of the discriminatory practices that are intolerable. I assure you that it is highly desirable, when discussing these matters, to do so with someone of maturity and judgment, otherwise you run the risk I have just mentioned.

I have been trying to read about this subject over the last couple of years, and to get more information. Having had the opportunity of seeing these things for myself, I have come to the conclusion that the United Nations' policy of seeking to remove those discriminatory practices of which they complain is wrong.

Hon. Mr. O'Leary: Hear, hear!

Hon. Mr. McIlraith: That policy is naïve and wrong, but we are supporting it. There is, I believe, a better method of dealing with this matter. I am not dogmatic about the method, but it does involve us in not seeking to cripple and destroy their economy. The blacks in South Africa must get their increasing opportunities out of the economy of that country. It is a myth to say that they will come from outside. Where are they coming from? From the rest of the continent to the north? There are not sufficient resources there. Our policy should not be to cripple the economy of that country, but to assist in establishing a better program, which will really have the effect of helping the blacks attain the economic, political and educational freedoms they deserve and need. I am sure that an approach by way of a proper working contact would be more effective in the long run, and would accomplish something of real benefit to the blacks, than the rather naïve and over-simplistic program we are now following.

I see no reason why we should not take account of the good work they are doing in some of the agricultural and industrial production fields to create jobs. There are some lessons we can learn by looking at those programs. We are smug and complacent about housing, but there might be something that our housing authorities could learn from the South Africans about the provision of low-cost housing, although the methods are applicable in a different context and a different way.

The detached holier-than-thou attitude that some of us on this continent exhibit on the subject of apartheid is not helpful in correcting the situation of which we complain. It does not help to provide more opportunities for the blacks.

While in South Africa I was received by the Foreign Minister with whom, at my request, I had a short courtesy interview. I did not go into these matters with governmental authorities there. I refrained from that because I wanted to collect my own impressions, by going my own way around the different areas, as best I could and as a private citizen and tourist in that country.

• (1520)

Honourable senators, I believe we should address ourselves to this problem. When I spoke on January 11, I expressed the hope that our Foreign Affairs Committee, when it finished its work on the Common Market, would examine this subject, to see if we could develop a policy which would be more constructive, and which would build real hope for the future, to replace the negative policy we are now pursuing.

I may have digressed a bit from a report on the conference, but these are the thoughts which arose in my mind as a result of my visit to the African continent and I felt I should express them to you for your consideration.

The Hon. the Speaker: Honourable senators, if no honourable senator wishes to participate in this debate, this inquiry is now considered as having been debated.

The Senate adjourned until Tuesday, March 27 at 8 p.m.

APPENDIX "A"

(*See p. 377.*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE
ON SUPPLEMENTARY ESTIMATES (B)

Thursday, 22nd March, 1973.

The Standing Senate Committee on National Finance, to which were referred Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1973, has in obedience to the order of reference of Tuesday, 13th March, 1973, examined the said Supplementary Estimates (B) and reports as follows:

Witnesses heard by the Committee were Mr. A. Kroeger, Deputy Secretary, Program Branch, Treasury Board, and Mr. R. L. Richardson, Director, Industry and Natural Resources Division, Treasury Board. These Supplementary Estimates total $434,835,454 of which $109,794,020 are non-budgetary items, that is to say, loans, investments or advances. The total Estimates for the fiscal year ending March 31, 1973 are increased to $18,216,731,025. Of this amount $1,717 million were non-budgetary items, leaving budgetary expenditures of $16,500 million. This figure differs from the figure of $16,300,000,000 which the Minister of Finance used for actual budgetary expenditures in his recent budget speech. This difference of $200 million is accounted for by lapses between estimates and expenditures and is in accord with the rate of lapse in recent years of between 1½ to 2 per cent.

The Committee examined various items contained in these Supplementary Estimates and received answers to their questions from the Treasury Board officials. In the case of six items, answers were not immediately available and the Treasury Board officials agreed to provide material as soon as possible. The questions for which answers are to be supplied are as follows:

1. Industry, Trade and Commerce—Vote L16b—What are the terms of the loan of $14,004,000 to Canadair Ltd. for the financing of water bomber aircraft?
2. Public Works—Vote L30b—To whom is the loan covering the construction of an oil refinery terminal wharf at Come-By-Chance, Newfoundland, made and who is responsible for its repayment?
3. Industry, Trade and Commerce—Vote 1B—Under Appropriation Act No. 1, 1968, insurance under the Adjustment Assistance Program could be provided "to manufacturers". In these Supplementary Estimates the assistance is provided to "a person engaged or about to engage in a manufacturing enterprise in Canada". What is the reason for the change in terminology?
4. What was the cost of NORAD for each of the fiscal years ending March 31, 1972 and March 31, 1973?
5. In the matter of dredging and the construction of wharves, what is the division of responsibility between the Department of Public Works, the Ministry of Transport and the Department of Environment?
6. National Health and Welfare—Vote L16b—In the Appropriation Act of 1966, this item was a budgetary appropriation and in these Supplementary Estimates is referred to as a loan. When and why was the change made?

25862—25

The Committee examined the relationship of Polymer Corporation, the Canada Development Corporation and the Government and discussed with the Law Clerk and Parliamentary Counsel and the witnesses how the Canada Development Corporation is required to report its financial results. It appears that the Canada Development Corporation is not a Crown Corporation and therefore its financial reports are not required to be made to Parliament by either the Financial Administration Act or the Canada Development Corporation Act. As the government is presently the sole shareholder in the Canada Development Corporation, your Committee recommends that the Minister responsible table its financial statements annually.

The Committee examined several programs that involve Parliament giving authority to the Treasury Board to expend certain amounts on terms and conditions approved by the Treasury Board. For example, the loan to Canadair Ltd. for the financing of water bomber aircraft is made in accordance with terms and conditions approved by the Treasury Board. The Committee wished to know what control Parliament maintains over the manner in which these expenditures are made by Treasury Board. The Committee was informed by the Law Clerk and Parliamentary Counsel and the witnesses that there is no provision under the Financial Administration Act for a report to be made to Parliament on the manner in which previously approved appropriations are spent where the Treasury Board is given control over the terms and conditions of the expenditure. Such matters may be examined by specific questions arising out of Committee hearings.

The witnesses filed an explanation of the $1 items contained in these Supplementary Estimates (B). This is a vote category discussed in previous committee reports and for which a description and explanation are now regularly provided by the Treasury Board to the Committee. This is appended hereto. The $1 items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—four items.

B. One Dollar items for grants—five items.

C. One Dollar items authorizing transfers from one vote to another—eight items (includes one item for Veterans Affairs vote 20b which is also listed in Schedule B).

D. One dollar items which authorize amendments to previous appropriation acts—thirteen items (includes one item for National Revenue—Customs and Excise Vote 1b which is also listed in Schedule A).

E. One Dollar items which amend existing legislation other than appropriation acts—two items.

Respectfully submitted,

D. D. EVERETT
Chairman

EXPLANATION OF ONE DOLLAR ITEMS IN SUPPLEMENTARY ESTIMATES (B), 1972-73

SUMMARY

The one dollar items included in these Estimates have been grouped in the attached schedules according to purpose.

A. One Dollar items authorizing the deletion of debts due the Crown—four items.

B. One Dollar items for grants—five items.

C. One Dollar items authorizing transfers from one vote to another—eight items (includes one item for Veterans Affairs vote 20b which is also listed in Schedule B).

D. One Dollar items which authorize amendments to previous appropriation acts—thirteen items (includes one item for National Revenue—Customs and Excise Vote 1b which is also listed in Schedule A).

E. One Dollar items which amend existing legislation other than appropriation acts—two items.

SCHEDULE A

ONE DOLLAR ITEMS AUTHORIZING THE DELETION OF DEBTS DUE THE CROWN—FOUR ITEMS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 5b—Authority is requested to delete certain accounts amounting to an aggregate of $109,210.52.

Explanation—It is proposed to write-off some eight debts each of which is in excess of $5,000 which were incurred by the Department in its Indian and Eskimo Affairs Program. The Department is unable to recover these accounts. The write-off of these debts has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

NATIONAL REVENUE—CUSTOMS AND EXCISE

Vote 1b—(This item is also included under Schedule D)—Authority is requested to delete certain debts due and claims by Her Majesty amounting in the aggregate to $2,403,445.80.

Explanation—It is proposed to delete some 93 items each of which are in excess of $5,000. These items consist of tax, duty, penalty and related charges which cannot be collected because the debtors are either bankrupt, out of business, residing outside of Canada or further collection expense is not justified. These accounts have been examined and approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

VETERANS AFFAIRS

Vote 5b—Authority is requested to delete certain debts due amounting to $14,905.19.

Explanation—Authority is requested to write-off the accounts of two debtors who have died leaving no known estate. The write-off of these accounts has been approved by the Standing Interdepartmental Committee on Uncollectible Debts due the Crown.

Vote 45b—Authority is requested to delete certain debts due and claims by Her Majesty amounting to $11,218.35.

Explanation—It is proposed to write-off the account of a debtor who has died leaving no known estate. The write-off of this account has been approved by the Standing Interdepartmental Committee on Uncollectable Debts due the Crown.

SCHEDULE B

ONE DOLLAR ITEMS FOR GRANTS-FIVE ITEMS

CONSUMER AND CORPORATE AFFAIRS

Vote 5b—To authorize grants totalling $25,000.

Explanation—The following grants to Consumer Organizations were made in 1972-73 under authority contained in Main Estimates:

(1) Consumer Association of Canada	$150,000
(2) L'Institut de Promotion des Intérêts du Consommateur (IPIC)	$5,000
(3) University of Guelph	$2,000
	$157,000

This Supplementary Estimate requests authority to make an additional grant of $25,000 to Les Associations Coopératives d'Économie Familiale (ACEF).

Details of these grants follow.

$150,000—Consumers' Association of Canada:

The Consumers' Association of Canada is the only national consumer organization. Its programs supplement the role of the Department in providing consumer information and resolving consumer problems. The Association plays an important advocacy role to inform governments at all levels of consumer problems and to comment on government policy.

At the present time, the activities of the Consumers' Association of Canada are diffused over a number of areas, including consumer education, environmental issues and comparative testing. It has provincial chapters in all provinces except Newfoundland, New Brunswick, Prince Edward Island and Nova Scotia but local chapters in Moncton, Halifax and Charlottetown. Funds are allocated to these chapters on a fixed amount per type of member. Total membership across Canada is now 110,000.

The grant paid by Consumer and Corporate Affairs in 1970-71 was $50,000, in 1971-72 was $100,000 and in 1972-73 is $150,000.

$5,000—L'Institut de Promotion des Intérêts du Consummateur (IPIC):

L'Institut de Promotion des Intérêts du Consommateur (IPIC) is a Quebec based non-profit French language consumer organization established in 1969 through joint sponsorship of La Fédération des Magasins Co-op and L'Association Coopérative Féminine du Québec.

Its prime interest is to inform, educate, protect and counsel Quebec consumers in the food field through the establishment of information kiosks and experimental kitchens in COOPRIX and COOP stores, and the publication of the monthly magazine "Le Réveil du Consommateur". Consumer counselling services are available in some stores. Laboratory analysis of food products to detect misrepresentations and economic fraud is undertaken and the results made public.

The consumer cooperative movement in Quebec, which is represented by IPIC, is quite active and aggressive. The publication "Le Réveil du Consommateur" is innovative, informative and interesting. Its underlying philosophy is aimed at providing the consumer with all the facts, and prodding both the private and public sectors of the economy into taking action on consumer problems.

No prior grants were given by Consumer and Corporate Affairs.

$2,000—University of Guelph:

"The Consumer Interest" is a unique Canadian newsletter for professionals in government, business and education working in the field of consumer education and information. It reports on federal and provincial consumer protection activities and includes book reviews, lists of publications, resource kits and other information of interest to those involved in consumer education. Articles on pertinent topics such as consumer credit also appear in the publications. During the past year changes in content have been made to meet the needs of secondary school teachers. A recent survey of subscribers initiated by the Department indicated that the newsletter was performing an effective role.

The newsletter is available for an annual subscription fee of $5.00. However, subscription revenue covers only 35% of the costs. The remainder of the approximately $6,000 annual budget is met through small grants from provincial and federal governments, and private organizations such as the Vanier Institute. The ultimate goal is to make it self-supporting. An active subscription campaign is being conducted to reach this goal but the narrow market for the publication will require considerable time to reach this goal. Since January, 1971, the number of subscriptions has increased from 139 to 414.

The grant paid by Consumer and Corporate Affairs in 1971-72 was $1,000 and in 1972-73 is $2,000.

$25,000—Les Associations Coopératives d'Économie Familiale (ACEF):

Les Associations Coopératives d'Économie Familiale (ACEF) is a federation of independent consumer education, protection and counselling organizations with headquarters in Montreal and nine separate ACEFs throughout the Province of Quebec.

The organization has been successful in meeting its objectives of informing the consumer and resolving individual consumer problems, particularly those of the lower income, disadvantaged and less well-educated person.

ACEF has a 1972-73 budget of $504,000 and forecasted revenue of $329,000 from member organizations and other sources leaving a deficit of $175,000 which is similar to the 1971-72 deficit. ACEF requested a grant of $53,000 from the Federal Government and $120,000 from the Province of Quebec. To date the Province of Quebec has provided a grant of $25,000.

Other sources of revenue for individual ACEF organizations in past years have included service contracts with the Company of Young Canadians, grants under the "Local Initiatives Program", and contributions from local charitable organizations. Under the federally sponsored Local Initiatives Program in 1972 approximately $149,000 was provided to various ACEFs for special projects such as day care centres, and social development studies.

The grant paid by Consumer and Corporate Affairs in 1970-71 was $50,000, in 1971-72 was $25,000 and in 1972-73 will be $25,000.

EXTERNAL AFFAIRS—CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Vote 30b—To authorize grants totalling $1,669,922.

Explanation—The additional funds will be used to provide for the following grants to International Organizations for Multilateral Assistance programs:

(1) International University Exchange Fund—$50,000.

(2) International Planned Parenthood Federation—$249,922.

(3) Food and Agricultural Organization, Freedom from Hunger/Action for Development Special Program—$150,000.

(4) Commonwealth Fund for Technical Cooperation—$220,000.

(5) An increase is requested of $1,000,000 in the amount of International Emergency Relief to meet high priority Vietnamese relief and refugee needs—$1,000,000.

Source of Funds—Vote 30—Funds originally provided for other CIDA programs are available and can be used to provide for the payment of these grants.

NATIONAL HEALTH AND WELFARE

Vote 40b—To authorize a grant of $100,000.

Explanation—An additional $100,000 is requested to assist in the development of provincial, municipal and voluntary family planning services and for specific projects in this area. A sum of $1,050,000 was originally provided for this type of assistance in the current fiscal year.

Source of Funds—Vote 40—Funds originally provided for contributions to the provinces for Guaranteed Income Experimental Projects are available for the payment of this grant.

PUBLIC WORKS

Vote 10b—To authorize a grant of $77,000.

Explanation—It is proposed to provide a grant to the City of Whitehorse to finance the cost of additional equipment required to maintain areas handed over to the City by the Government of Canada.

Source of Funds—Vote 10—Funds originally provided under this vote are available due to additional revenues being received which were not forecast.

VETERANS AFFAIRS

Vote 20b—(This item is also included under Schedule C)—To authorize the payment of grants totalling $400,000.

Explanation—This additional sum is required to provide for the payment of the following grants:

(1) Additional funds are required as the result of increased numbers qualifying for assistance under the Assistance Fund Regulations—$350,000.

(2) Additional funds are required for Hospital Insurance Compensation to meet the cost of payments ($2.00 per month) to eligible War Veterans Allowance recipients in provinces where hospitalization premiums are not levied—$50,000.

Source of Funds—Vote 15—Funds are available as the result of the hospitalization and medicare premiums of War Veterans Allowance recipients over age 65 now being paid by the Province of Ontario.

SCHEDULE C

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER—EIGHT ITEMS (INCLUDES ONE ITEM FOR VETERANS AFFAIRS VOTE 20B WHICH IS ALSO LISTED IN SCHEDULE B.)

EXTERNAL AFFAIRS

Vote 5b—Amount of Transfer to this vote $669,999.

Purpose—This additional amount will be used to provide for:

(1) The purchase and installation of equipment in the new Communication Centre in London, England—$260,000.

(2) The purchase of furniture and equipment required at the various posts abroad due to the posting of additional program officers and support staff and the effect of the new policy whereby the Crown rather than the employee leases or purchases accommodation—$410,000.

Source of Funds—Vote 1 ($340,000) and Vote 20 ($329,999) Funds are available in Vote 1 due to over-estimating by the Department of the cost of administration and operating expenses related to additional support services for new postings abroad in 1972.

Funds are available within Vote 20 due to the cancellation of the U.S.A. plans for a World Exposition in Philadelphia in 1976.

JUSTICE

Vote 5b—Amount of transfer to this vote $89,499.

Purpose—This additional sum will be used to cover the cost of service contracts in the area of research and for research texts and papers in connection with the study and review on a continuing basis of the statutes and other laws comprising the laws of Canada.

Source of Funds—Vote 1 ($89,499)—Funds are available from salary and associated costs due to a delay in the hiring of staff.

Vote 10b—Amount of transfer to this vote $85,999.

Purpose—These funds will be used to provide for the additional cost of the independent tribunal for the disposition of disputes between taxpayers and the Minister of National Revenue.

Source of Funds—Vote 1 ($85,999)—Funds are available from salary and associated costs due to a delay in the hiring of staff.

PUBLIC WORKS

Vote 35b—Amount of transfer to this vote $300,000.

Purpose—This additional amount is required to cover the cost of maintenance of certain portions of the Northwest Highway System in accordance with an agreement between the Department and the Commissioner of the Yukon Territories.

Source of Funds—Vote 40 ($300,000)—Funds are available due to slippage in certain capital projects.

TRANSPORT

Vote 40b—Amount of transfer to this vote $4,999,999.

Purpose—This additional amount is required to meet increased ferry deficits. The additional costs are due mainly to additional tonnages carried from the mainland to Newfoundland, cost of repairing ice damage to coastal vessels and other costs associated with increased passenger traffic.

Source of Funds—Vote 70 ($4,999,999)—The annual operating deficit for the Canadian National Railway System will be less than was originally estimated due to the receipt of subsidy payments under the Railways Act.

—ST. LAWRENCE SEAWAY AUTHORITY

Vote 130b—Amount of transfer to this vote $349,999.

Purpose—This additional amount will be used to cover the cost of completing a number of projects under the 1971-72 Federal Labour Intensive Projects program undertaken on the Lachine Canal and the Cornwall Canal.

Source of Funds—Vote 120 ($349,999)—Funds are available from the sum provided for the Welland Canal operating deficit.

VETERANS AFFAIRS

Vote 1b—Amount of the transfer to this vote $449,999.

Purpose—This additional amount will be used mainly to provide for the cost of salaries and other expenses associated with cost of the annual escalation of Veterans' pensions and allowances as provided under recently approved legislation.

Source of Funds—Vote 45 ($449,999)—Funds are available as a result of unforeseen recoverables from the Province of Ontario.

Vote 20b—(This item is also included under Schedule B)—Amount of the transfer to this vote $399,999.

Purpose—This additional amount is required to provide for the payment of the following grants:

(1) Additional funds are required as the result of increased numbers qualifying for assistance under the Assistance Fund Regulations—$350,000.

(2) Additional funds are required for Hospital Insurance Compensation to meet the cost of payments ($2.00 per month) to eligible War Veterans Allowance recipients in provinces where hospitalization premiums are not levied—$50,000.

Source of Funds—Vote 15 ($399,999)—Funds are available as the result of the hospitalization and medicare premiums of War Veterans Allowance recipients over age 65 now being paid by the Province of Ontario.

SCHEDULE D

ONE DOLLAR ITEMS WHICH AUTHORIZE AMENDMENTS TO PREVIOUS APPROPRIATION ACTS—THIRTEEN ITEMS (INCLUDES ONE ITEM FOR NATIONAL REVENUE—CUSTOMS AND EXCISE VOTE 1B WHICH IS ALSO LISTED IN SCHEDULE A.)

COMMUNICATIONS

Vote L6b—To authorize an extension and revision to the original vote wording so as to update the authorization for the services presently available from the Government Telecommunications Agency.

Explanation—This extension in authorization is proposed in order that the various telecommunication's services which are now provided by the Government Telecommunications Agency may be provided when requested by customer departments. The Agency's objectives and activity structure were updated in the 1973-74 Main Estimates and this revision brings the vote wording into agreement with the services now offered.

EXTERNAL AFFAIRS

Vote 1b—To authorize an extension to the vote wording so as to permit the write-off of an outstanding loan.

Explanation—This extension in authorization is requested in order that the Working Capital Advance Account may be reimbursed for the unpaid and uncollectible balance of a posting loan to a former External Affairs employee.

FINANCE

Vote L11b—To authorize an extension to the vote wording so as to extend the date for inclusion of eligible costs for forgiveness purposes and to redefine the amount to be capitalized.

Explanation—This extension is requested not only to authorize an extension to July 1, 1972 of the deadline for the inclusion of costs eligible for forgiveness purposes but also to authorize in subsequent fiscal years the inclusion of accrued interest when consolidating loans for capitalization purposes.

INDUSTRY, TRADE AND COMMERCE

Vote 1b—To authorize an extension to the vote wording so as not only to reimburse the amount of an outstanding departmental loan but also to extend the assistance available under the General Adjustment Assistance Program.

Explanation—The proposed revision to the vote wording is requested to provide for:

(1) The write-off of a loan provided for the purchase of equipment to assist a Canadian defence industry with plant modernization in the amount of $102,712.50 due to the termination of a contract by default.

(2) An extension of the assistance provided under the General Adjustment Assistance Program so as to provide insurance or guarantees to all firms in manufacturing industries and to those in service industries which significantly affect international costs of manufacturing industries, when these firms require financial assistance to enable them to establish or restructure operations in order to take advantage of new opportunities or to improve their international competitive position or when service industries by restructuring improve the ability of manufacturers in international trade competition.

Vote 10b—To authorize an extension to the vote wording so as to enable the Minister to provide guarantees and insurance to Canadian companies and organizations for approved projects undertaken to promote Canadian agricultural products other than grains and oilseeds.

Explanation—This authority is requested so that the Minister may provide guarantees and insurance on contingent contributions to Canadian companies and organizations in respect to approved projects undertaken to promote the expansion of the total market for Canadian agricultural products other than grains and oilseeds. The present vote wording does not constitute authority for projects involving the Crown in contingent liabilities outside the current fiscal year. These liabilities would result from agreements entered into with firms to reimburse them if there were a default in the repayment of loans made by the firms in support of selected projects.

It is also proposed to establish a statutory limit of $1,200,000 for guarantees and insurance on these contributions.

Vote L17b—Authority is requested to extend the purposes of the vote wording so as to enable additional manufacturers to receive direct loans under the General Adjustment Assistance Program.

Explanation—The direct loan portion of this program was established in 1968 to assist manufacturers in Canada who have been seriously injured or threatened with serious injuries as a result of increased imports attributable to the Kennedy Round tariff reductions. Subsequent amendments extended the direct loan portion to manufacturers of textile or clothing goods who were injured or threatened with injury as result of imported goods and manufacturers injured by the imposition of a temporary surtax by a country other than Canada. The current revision extends direct loans to any person or manufacturer engaged in a manufacturing enterprise in Canada who in the opinion of the General Adjustment Assistance Board, requires such loan in order to adapt

efficiently to competition from goods imported at such prices, in such quantities or under such conditions as to cause serious injury or to be threatened with serious injury and who is unable to obtain sufficent financing on reasonable terms from other sources.

Vote 30b—To authorize an extension to the vote wording so as to enable the Minister to provide guarantees and insurance to Canadian companies and organizations for approved projects undertaken to promote Canadian grains and oilseeds.

Explanation—This authority is requested so that the Minister may provide guarantees and insurance on contingent contributions to Canadian companies and organizations in respect to approved projects undertaken to promote the expansion of the market for Canadian grains and oilseeds. The present vote wording does not constitute authority for projects involving the Crown in contingent liabilites outside the current fiscal year. These liabilities would result from agreements entered into with firms to reimburse them if there were a default in the repayment of loans made by the firms in support of selected projects to expand the effected market for Canadian grains and oilseeds.

It is also proposed to establish a statutory limit of $2,000,000 for guarantees and insurance on these contributions.

MANPOWER AND IMMIGRATION

Vote 10b—To authorize an extension to the vote wording so as to permit the payment of travelling allowances to certain Manpower clients.

Explanation—This extension in authorization is proposed so that travelling allowances may be paid to Manpower clients who require special diagnostic counselling not otherwise available at their local Manpower Centre. These travelling allowances will be paid as part of the recently expressed intention by the Department to extend a special range of manpower services to unemployed workers, who, for one reason or another, have experienced a significant difficulty in either entering or sustaining themselves in the labour market. Since such diagnostic services are generally in short supply, it will be necessary in many instances to send clients from one centre to another. The present Manpower Mobility Regulations do not provide for paying allowances under such circumstances.

NATIONAL HEALTH AND WELFARE

Vote L16b—Authority is requested to repeal the authorization establishing the Health Insurance Supplementary Account and to replace it with a new Fund and to extend the benefits available under this Fund.

Explanation—The present Hospital Insurance Supplementary Account was established in 1966. It provides for payment in respect of the cost of insured services incurred by persons who, through no fault of their own, ceased to be eligible for insured services under the Hospital Insurance and Diagnostic Services Act. An agreement has now been reached with the provinces to extend these provisions to cover medical services effective July 1, 1972. The revised vote wording is necessary to provide for this and to create the new Health Insurance Supplementary Fund. The balance of the existing account will be transferred to the new integrated Fund. The Fund will be sustained through matching contributions by the provinces and the Federal Government on the same basis as the previous account.

Vote 45b—To authorize an increase of $475,000 in the statutory aggregate amount of payments that can be made under the Fitness and Amateur Sport Act.

Explanation—This increase in the statutory ceiling is needed to permit additional payments to be made in support of projects relative to native groups—Indians and Eskimos ($300,000) and for certain recreational projects ($175,000).

NATIONAL REVENUE—CUSTOMS AND EXCISE

Vote 1b—(this item is also included under Schedule A)—To authorize through an extension to the vote wording, the reimbursement of the Customs and Excise Working Capital Advance Account for the value of obsolete and surplus material.

Explanation—This authorization is required to reimburse the Working Capital Advance Account established in 1954 for some $28,132.18 of stores which have become obsolete.

REGIONAL ECONOMIC EXPANSION

Vote 1b—To authorize an extension to the vote wording so as to permit the reimbursement of an Advance Account for stores which are obsolete and to terminate the Account.

Explanation—This extension to the vote wording is required to authorize the reimbursement of the Maritime Marshland Rehabilitation Administration Stores Working Capital Advance Account for $4,560.00 of stores which are obsolete, unserviceable or lost, and to transfer the balance of the assets of the Advance Account to the Council of Maritime Premiers, thus terminating the Account.

TREASURY BOARD

Vote 20b—To authorize an extension to the vote wording so as to permit the transfer and the inclusion under the Locally-Engaged (Non-Contributory) Pension Regulations of an annuity paid to a retired employee.

Explanation—This extension in authorization is proposed in order to permit the transfer and the inclusion of an annuity, paid to a retired employee, under the Locally-Engaged (Non-Contributory) Pension Regulations. The payment of this annuity was originally authorized under an Appropriation Act. This transfer will entitle the recipient to a re-assessment of benefits due to the steady decline in exchange rates between the Jamaican and Canadian dollars. This will complete the transfer of all annuities of this type which are now being paid to former locally-engaged employees.

SCHEDULE E

ONE DOLLAR ITEMS WHICH AMEND EXISTING LEGISLATION OTHER THAN APPROPRIATION ACTS—TWO ITEMS.

FINANCE

Vote L16b—Authority is requested for the deletion of the words "Polymer Corporation Limited" from the schedules of the Crown Corporations Act and the Financial Administration Act.

Explanation—It is requested that the title "Polymer Corporation Limited" be deleted as of July 31, 1972 from the Schedule of Crown Corporations (Provincial Taxes and Fees) Act and from Schedule D to the Financial Administration Act since this Corporation has now been purchased by the Canadian Development Corporation.

INDUSTRY, TRADE AND COMMERCE

Vote 11b—Authority is requested to enable the Crown to indemnify its representatives elected to the Board of Directors of any company in cases where the federal government wants to protect its interest in the company.

Explanation—Authority is requested to indemnify those persons who are elected, as representatives of the Crown, to the Board of Directors of certain companies to which the Government of Canada has either provided loans or has purchased shares and in which the Crown wishes to maintain an interest. It is proposed that this indemnity also cover other than government employees as long as they are the Crown's representatives. This authority will provide protection against all costs, charges and expenses incurred except those occasioned by the representative's own wilful neglect or default.

APPENDIX "B"

(*See p. 381.*)

COMMONWEALTH PARLIAMENTARY ASSOCIATION

EIGHTEENTH GENERAL CONFERENCE, BLANTYRE, MALAWI, OCTOBER 13-27, 1972
REPORT OF CANADIAN MAIN BRANCH DELEGATION

The 18th Annual Conference of the Commonwealth Parliamentary Association took place in Blantyre, Malawi, from October 13th to the 27th, 1972.

The Canadian Main Branch consisted of 6 delegates: Senator George McIlraith, P.C. (Leader), Senator Muriel Fergusson, Senator Allister Grosart (Chairman of the Canadian Branch), Mr. Marvin Howe, M.P., Mr. Aurelien Noël, M.P. and Mr. Harold Winch, M.P.

The delegation from the Canadian Provincial Branches consisted of Mr. John Cookson of Alberta, Mr. Arthur Thibault of Saskatchewan, Honourable A. Russell Paulley of Manitoba, Deputy Speaker Russell Rowe of Ontario, Mr. Georges Kennedy of Quebec, Honourable Cyril Sherwood of New Brunswick, Speaker George Mitchell of Nova Scotia, Honourable J. Maloney of Prince Edward Island and Honourable A. Murphy of Newfoundland. The British Columbia Branch was unable to be represented because of a special legislative session called for that time.

Mr. James Walker, M.P., the Canadian Regional Representative on the C.P.A. General Council, was prevented from attending by the Canadian Federal Election campaign underway at that time. In his absence the Chairman of the Canadian Main Branch, Senator Grosart, served as Acting Regional Representative while Senator McIlraith and Mr. Georges Kennedy served as representatives respectively of the Canadian Main Branch and the Canadian Provincial Branches at the meetings of the C.P.A. General Council held in Blantyre.

Delegation Secretaries were Mr. Ian Imrie (Main Branch) and Mr. René Blondin (Provincial Branches).

Pre-Conference Program

Most of the 170 delegates, official observers and Secretaries to delegations arrived in Blantyre on October 13th. As luck would have it, this was a Friday but those who were privileged to enjoy the excellent program arrangements that followed were all in agreement that the old superstition had been quite effectively exploded!

The first meetings of the Executive Committee and the General Council were held on the Saturday. On the following morning delegates were briefed at the magnificent new Kwacha Conference Centre and by noon all of the delegates had left Blantyre in four groups on tours lasting five days. Each group made visits to a number of centres outside Blantyre, including Zomba the present capital of Malawi, Lilongwe, now under construction as the future capital of Malawi, and to Mangochi and Salima, two impressive tourist resort developments situated on the shore of Lake Malawi. Delegates also visited Young Pioneer Centres and saw something of the tea estates in southern Malawi, before returning to Blantyre on the 19th.

The Opening Ceremony

The Conference was formally opened on October 20th by His Excellency the Life President, Ngwazi Dr. H. Kamuzu Banda, who gave a most thoughtful address on the evolution of the Commonwealth and of the Parliamentary System of Government, with particular reference to Africa.

Also speaking at the opening ceremony which was held, as were all the subsequent Conference sessions, at the Kwacha Conference Centre, was the Honourable Aleke Banda, M.P., Minister of Trade, Industry and Tourism and Minister of Transport and Communications in the Malawi Government, who, in his capacity as Chairman of the C.P.A. General Council for 1972, served as Chairman of the Conference. The Vice-Chairman of the General Council, the Right Honourable Sir Alec Douglas-Home was unable to be present during the Conference and was represented during the opening ceremony by Lady Tweedsmuir, M.P., Minister of State, Foreign and Commonwealth Office, and Leader of the United Kingdom Branch delegation.

The Conference

Discussions took place in seven plenary sessions on "The Commonwealth and World Security" and "Parliament's Role in the Modern World," and on "Social Problems of Today" and "Economic Problems." The delegates met in two Committees, meeting concurrently, for two sessions each. All Canadian Main Branch and Provincial Branch delegates had an opportunity to speak during the Conference, some on several subjects. Representing the Canadian Main Branch, Senator Grosart opened the debate on "The Threat of Pollution." In the Committee session dealing with "Social Problems of Today," the representative of the Quebec Branch, Mr. Georges Kennedy, provided the opening speech on "Internal and External Challenges to Parliamentary Democracy" in the plenary session dealing with "Parliament's Role in the Modern World."

Delegates were all agreed that the Conference sessions went very smoothly indeed, thanks very largely to the outstanding chairmanship of the Chairman of the Conference, Honourable Aleke Banda.

The General Council

The General Council met for three business sessions and its Executive Committee held four meetings. Amongst the items of business transacted, of special interest to the Canadian delegation was the approval of a proposal to develop relations through the exchange of information and observers at the respective annual conferences with a fraternal Parliamentary Association, the International Association of French-Speaking Parliamen-

tarians. This proposal had been turned down by the Executive Committee of the C.P.A. in 1971 but had been reinstated as a result of representations made by the Canadian Branch.

The General Council approved applications from the Barbados, Dominica and Gibraltar Branches to increase their representation at plenary Conferences. It confirmed the Executive Committee's approval of the application from the Turks and Caicos Islands Legislature to form an Auxiliary Branch; it agreed that when an application to form a Main Branch was received from Bangladesh, it should be approved.

It approved, for submission to the Annual General Meeting, the Report of the General Council for 1971-72 subject to the addition of three sections, the Accounts and Balance Sheet for the year ended 31st December, 1971, and the Report of the Executive Committee on its meetings in Singapore in May subject to a very minor amendment.

The General Council received reports on the various C.P.A. Regional Conferences held during the year, including the 13th Canadian Regional Conference held last summer in Manitoba, as well as on the various other C.P.A. activities during the past year. It was noted with great satisfaction that the number of exchanges of delegations between branches of the Association was greater than ever before, and the Canadian representatives on the Council were happy to be able to report that this was true also for the Canadian Region.

The Council discussed at great length the financial situation of the Association, having noted a substantial deficit in the Estimates for the coming year. After lengthy discussion the Council agreed to a twenty per cent cut in a number of items of expenditure in the Association's budget for the coming year. Notwithstanding this, the Canadian Branches were greatly pleased that it was still possible for the Council to approve a modest but nevertheless important general salary increase for the Members of the General Council's Secretariat.

The Annual General Meeting

As in the General Council meetings the finances of the Association occupied most of the attention of the Annual General Meeting, held during the final portion of the Conference. Some members felt that the Association should in the circumstances be cutting back its activities to accord with its revenues. Others felt that new sources of revenue should be found or that a search should be made for economies without reducing the present level of the Association's activities. In a very stirring speech, Mr. Harold Winch, M.P., retiring from Parliament after 39 years membership in the Association, made the following observation: "With the seriousness of the problems facing nearly all countries . . . now is the time not for the C.P.A. to be containing its activities but for increasing its activities, so that our influence, our work, and our understanding can be greater . . . we should be saying because of increased costs we need a greater revenue." The meeting responded most warmly to Mr. Winch's remarks and at its next meeting in Grand Cayman next April the Executive Committee of the Association will be studying more closely the projected financial requirements of the Association over the next five years and its projected sources of revenue.

Officers Elected for 1973

The General Council unanimously elected the Right Hon. Sir Alec Douglas-Home, Kt, M.P., Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom, as the 1973 President of the Association and Mr. Felix Bandaranaike, M.P., Minister of Public Administration, Local Government and Home Affairs and Minister of Justice of Sri Lanka (formerly Ceylon) as Vice-President.

Mr. Bryant Godman Irvine, M.P., of the United Kingdom is currently serving the second year of his three-year term as Honorary Treasurer of the Association.

Conference Venues for 1973 and 1974

As is indicated by the aforementioned elections, the 19th Commonwealth Parliamentary Conference will be held in the United Kingdom in 1973 (September 8-22) and the 20th in Sri Lanka (Ceylon) in 1974.

Vacancies in the C.P.A. Executive Committee

Mr. Speaker G. S. Dhillon of the Indian Lok Sabha was elected Asian Regional Representative and Western Samoa was asked to nominate the Regional Representative for Australasia, subsequently announced as Hon. Tuala Paulo, Minister of Education for Western Samoa, both for a term of 3 years.

Elected under Clause 19 of the Constitution for a three-year term was Mr. W. F. Nankivell, M.P., of South Australia and, for a one-year term, Mr. Speaker R. T. Leuva of Gujarat, India.

The Conference Arrangements

All delegates were unanimous in their praise of the excellent work that had gone into the planning and preparation for this Conference, which was undoubtedly one of the most interesting and successful of the Commonwealth Parliamentary Conferences to date. The Canadian delegates were most appreciative of the outstanding efforts of the Malawi Branch Conference Secretariat under Mr. Lameck Khofi, the former Clerk of the National Assembly, who spared no effort to ensure that all the arrangements in connection with the Conference the pre-Conference tours and the hospitality program ran smoothly.

We acknowledge an equal debt of gratitude to all the members of the General Council Secretariat, under our distinguished Secretary-General, Mr. Robin Vanderfelt, for their unfailing helpfulness to all our delegates and for the dedicated and competent support that they have given to these meetings.

Mention has already been made of the skilled chairmanship of the Honourable Aleka Banda. As Conference Chairman his contribution to the undoubted success of the 18th Commonwealth Parliamentary Conference extended far beyond the meetings themselves, and we especially want to express our warmest appreciation to the Honourable Mr. Banda for the close personal interest which he so evidently has taken in all the aspects of this

Conference from the beginning right up to its conclusion.

Finally, we want to express the thanks of the delegation from Canada to His Excellency, the Life President of Malawi, Ngwazi Dr. H. Kamuzu Banda, who received us so graciously on several occasions during the Conference and whose unique role in the contemporary history of the African Continent we can all now better understand.

THE SENATE

Tuesday, March 27, 1973

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

Prayers.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERSHIP

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the name of Mr. Morgan had been substituted for that of Mr. Clark (Rocky Mountain) on the list of members appointed to serve on the Joint Committee on Regulations and Other Statutory Instruments.

WAR VETERANS ALLOWANCE 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-148, to amend the War Veterans Allowance Act.

Bill read first time.

Hon. Leopold Langlois moved, with leave of the Senate and notwithstanding rule 44(1)(f), that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

APPROPRIATION BILL NO. 2, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-166, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.

Bill read first time.

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

Hon. Mr. Langlois: With leave, next sitting.

Hon. Mr. Flynn: Not with leave. Put it on the Orders of the Day for the next sitting, and we shall see.

Hon. Mr. 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. 3, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-167, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

Bill read first time.

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

Hon. Mr. Langlois: With leave, next sitting.

• (2010)

Hon. Jacques Flynn: I think we would be well advised to find a more precise formula for doing this. The Orders of the Day should read that leave to move second reading will be sought at the next sitting. We may very well agree to that. The idea is that leave is not granted tonight to proceed tomorrow.

Hon. Mr. Langlois: That, honourable senators, is why on the first bill I said, "With leave, next sitting." When my honourable friend said, "Next sitting," I thought he was granting leave in advance for tomorrow.

Hon. Mr. Flynn: We will have to find a better formula. We should ask the Clerk to devise some formula that could be used in such cases, since they seem to arise so frequently.

Hon. Mr. Langlois: Agreed.

Hon. Mr. 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.

DOCUMENTS TABLED

Hon. Mr. Langlois tabled:

Copies of a position paper of the Government of Canada, dated March 1973 and entitled "Proposals for a Communications Policy for Canada," together with copies of text of a letter, dated March 16, 1973, addressed by the Minister of Communications to the ten provincial ministers responsible for communications, inviting them to attend a federal-provincial conference.

Report of the Central Mortgage and Housing Corporation, together with a statement of accounts certified by the Auditors, for the year ended December 31, 1972, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter C-16, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Statement of all Bonds registered at the office of the Registrar General of Canada for the fiscal year ended March 31, 1972, pursuant to section 32 of the Public Officers Act, chapter P-30, R.S.C., 1970.

25862—26½

List of Commissions issued under authority of section 3 of the Public Officers Act during the fiscal year ended March 31, 1972, pursuant to section 4 of the said 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 fiscal year ended March 31, 1972, pursuant to section 30 of the said act, chapter T-11, R.S.C., 1970.

Copies of a Progress Report, dated March 1973, to the Minister of the Environment, entitled "Great Lakes Shore Erosion Studies". (English text).

NATIONAL PARKS ACT

BILL TO AMEND—FIRST READING

Hon. Leopold Langlois, for Hon. Paul Martin, presented Bill S-4, to amend the National Parks Act.

Bill read first time.

Hon. Mr. Langlois moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

POST OFFICE DEPARTMENT

TITLE OF POSTMASTER GENERAL—QUESTION

Hon. Eugene A. Forsey: Honourable senators, I have two questions I should like to put to the Acting Leader of the Government. One is for information whether or not the title of the Postmaster General of Canada has been changed. I presume the honourable leader is in a position to give an answer to that forthwith. The reason I raise the question is that the other day, when I was looking through the government telephone book at the list of members of the House of Commons, there leapt to my eye from page 81E this:

Hon. A. Ouellet, Minister of the Post

I cannot help asking myself whether this is a way of saying that the title of the Postmaster General has been changed. Perhaps the Acting Leader of the Government would wish to take that as notice and have inquiries made in the proper quarters.

CORRESPONDENCE WITH CONFEDERATION OF NATIONAL TRADE UNIONS—QUESTION

Hon. Mr. Forsey: My second question is whether the government is prepared to table in this house the correspondence between the Post Office Department and the Confederation of National Trade Unions and any of its officers or affiliated unions, with respect to mail transport in Montreal between July 1, 1968 and June 30, 1972. This is a matter which might interest the late Postmaster General, as he was officially called at that time.

Hon. Mr. Flynn: Late? That is premature.

Hon. Leopold Langlois: Honourable senators, I do not think I have to take the first question as notice. I am not aware that the title of Postmaster General has been changed. I hope the honourable senator does not expect me to explain the few mistakes which are sometimes made in the other place.

As to the second question, I should like to take it as notice, while assuring my honourable friend that I will do my utmost to supply him with the information required.

CAPITAL PUNISHMENT

MURDERS OF POLICE OFFICERS—QUESTION

Hon. L. P. Beaubien: Honourable senators, in 1962, eleven police officers were murdered. I should like to ask the Acting Leader of the Government how many people were convicted of those crimes, and what has happened since to those convicted. Are they still in prison or have they been paroled?

Hon. Mr. Flynn: You are not asking whether they were hanged?

Hon. Mr. Beaubien: I do not think any were hanged—not in our welfare state. Nevertheless, that is part of the question. I should like to know if any were hanged, although I doubt it very much.

Hon. Mr. Langlois: I can assure the honourable senator that this is a question of which I should take notice for the time being.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) ADOPTED

The Senate resumed from Thursday, March 22, the adjourned debate on the motion of Senator Everett for the adoption of the Report of the Standing Senate Committee on National Finance which was 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, 1973.

Hon. Orville H. Phillips: Honourable senators, in adjourning the debate I stated that perhaps I was treading where angels fear to tread. At that time I anticipated that the Chairman of the Standing Senate Committee on National Finance would not be here this week. I notice he is now in his seat and so perhaps I am treading where others would not tread. However, I do not anticipate any general disagreement and now that Honourable Senator Everett is present I hope he will agree that my remarks correctly interpret the viewpoint he presented in his excellent report.

• (2020)

Incidentally, honourable senators, I must confess that I find that report rather difficult to follow. I do not have that skill of being concise, definite, and explicit that Senator Everett has, and, therefore, if at times I seem to be going off at a tangent I beg your indulgence.

Honourable senators, in approving supplementary estimates (B) we have since the opening of the present session of Parliament granted $1.734 billion in supplementary estimates. This, in spite of the fact that a budget was approved, is not an item to be taken very lightly.

The Chairman of the Standing Senate Committee on National Finance in presenting his report illustrated the rapid growth in the federal budget in the last ten years, showing how it had increased from $7.2 billion to $18.4 billion in a ten-year period ending with the budget we are presently completing. In other words, the budget has almost tripled in only ten years, and that is a fact that cannot be ignored.

Senator Everett also pointed out that in the coming year it is anticipated that the various levels of government will spend approximately 40 per cent of the gross national product. I hardly need to say that we came very close to that same figure last year.

I do not propose to enter the argument concerning the merits of various economists such as John Kenneth Galbraith and George Perry, and so on. I have indicated in the past to this honourable chamber that anyone who has a theory can call himself an economist or a political scientist and automatically become an authority. I still prefer, however, the old hard-headed Maritime approach to the expenditure of money, and I therefore do not propose to enter the argument as to whether 25 per cent or 40 per cent of the GNP is desirable. However, I do agree with Senator Everett that when the expenditures of all levels of government approach 40 per cent of the GNP it is time for each and every taxpayer in Canada to sit back and take notice.

In the coming months when people are trying to go through this new revised and simplified tax form, I hope they will bear in mind Senator Everett's remarks. I would draw the attention of the Senate to the fact that recently Ralph Nader, who is a sort of US Mr. Consumer, stated in Ontario that the average taxpayer was willing to work until May 31 to pay all his taxes, but was then unwilling to devote one hour to seeing that his tax moneys were wisely spent.

This evening I propose to discuss what I consider to be an equally important fact raised in the committee report, and that is that government expenditures keep on growing and growing—I think Senator Everett used the word "escalating" or some such terminology—while parliamentary control is decreasing. It is on this aspect of his remarks that I should like to spend the next few minutes. I do not feel that I am alone in this concern. I was rather pleased to note from various newspaper reports that other senators are beginning to look for and find deficiencies, and are prepared to offer criticism in regard to various government departments. Last Saturday, for example, I was very pleased to see on the front page of the Ottawa *Journal*—which is not an outstanding publication, but is one we sometimes read—an article which stated that Senator Prowse had certain criticisms of Information Canada. If I recall the article correctly, he referred to it as an $11 million wasteland. I have no criticism of his statement in that regard. In fact, I join him in it, and I am very, very pleased to see a member of this chamber doing this type of work.

A few days earlier, the Honourable Senator Laing stated, and I am not sure that I recall his precise words exactly but I shall quote him to the best of my ability, that the salary of an MP was minor compared with that of senior public servants. Indeed, I think he used the former term, "civil" servants. This, honourable senators, is true. It is the type of expenditure that comes to us day after day in our supplementary estimates and we accept it because it is hidden away in administration charges. When you start questioning this in committee on an appropriation bill you usually get the answer that it is due to postage increases. At this stage I would point out that a recent return in the other place pointed out that ten years ago two members of the Department of Veterans Affairs received salaries exceeding $20,000 per annum. Today that figure has risen to 265 members. I am sure that the War Veterans Allowance has not increased by the same amount.

• (2030)

The mere reclassification of 54 employees in the Department of External Affairs cost the Treasury $1.6 million per annum.

In case honourable senators think I am being partisan, I would like to refer to an article by Senator Fournier (Madawaska-Restigouche) in the same newspaper in which he recommended that the CBC deficit be given to the CNR to allow them to improve their passenger service.

I point out these things to illustrate that there is a non-partisan base of growing concern within this chamber at increased government expenditures.

I am fully aware that it is old fashioned and perhaps useless to refer to the national debt. Most people take the attitude: Why worry about the national debt? We are never going to pay it off, at least not in our lifetime, so why worry about it? And yet honourable senators I would like to point out that at the end of 1972 our national debt stood at $48 billion and the interest exceeded $2 billion. This may not be of great concern to the average taxpayer. As I say, they have come to accept the national debt. But I look upon this chamber as being somewhat of a board of directors and as such we should consider our national debt.

Canadian politicians, regardless of their political affiliations, have tended to boast or complain—depending on the respective occasion—about various aspects of our social system. For a moment I would like to compare certain figures within our social security system with our national debt. In the fiscal year 1971-72 hospital insurance costs, including contributions to the provinces, amounted to $1.148 billion. If my memory serves me correctly, something like $336 million went to the province of Quebec. I mention that because in later comparisons the province of Quebec will not be included. The amount for medicare was $550 million, and for youth and family allowances it was $618 million. These three figures for hospital insurance, medicare, and youth and family allowances, are those for the fiscal year 1971-72, and they total $2.316 billion.

The interest payment at the end of the year 1972 is $2,175,400,000, almost equal to the total of those three programs. Let us consider, for a moment, the estimates. We will find that in the year 1971-72 there was an increase in the interest figures of $126 million. The 1972-73 figures, estimated of course and not final for this year, are $181 million. However, let us then consider the projected figure of $406 million and, in the short period of three years, the interest on the national debt has increased by

$713 million. When the final figure is presented it will be a great deal higher, and under our present system we must approve this almost automatically because it is a statutory item in the estimates. We do not have a chance to discuss this and I find it rather shocking that the total of the three years to which I referred is well over $1 billion in interest payments. I know that the various blue books issued by the government, such as the one I have in my hand *How Your Tax Dollar is Spent*, minimizes this and says it is returned as dividends to the taxpayers. The basic point, however, is that we must recognize that over $1 billion has been raised from the 7,600,000 persons who pay income tax in this country. In my opinion it is time that we should consider the cost of the national debt. Pardon me for repeating myself, but I am absolutely amazed that we can find an increase in interest in the national debt in one single year of over $406 million, which is the figure for the next fiscal year. As the chairman of the committee mentioned, there is a growing use of the technique, not only in supplementary estimates, as our report states, but also in our main estimates, of making loans, grants and so on subject to approval and conditions as outlined by the Treasury Board.

• (2040)

This places both the Senate and the other place in the awkward position of voting so much money—and believe me it is not a minor amount of money; the figures over the past two or three years go into the billions—without any knowledge or follow-up. If one tries to obtain information, as I have, one finds it very difficult.

The chairman of the committee, in the course of his remarks, referred to the loan made to Canadair. Basically, I do not object to this loan. I cannot, because we received no information about the loan. By its very nature there must be a certain amount of so-called confidentiality—I prefer to call it secrecy—in that Canadair does not wish to reveal its financial situation to its competitors. Fine. I accept that viewpoint. But I do object to the fact that Parliament is placed in the position that it cannot receive information except that which one finds in the various financial newspapers.

The important fact that should be considered in this item is that the particular type of aircraft, a water bomber, is going to be stockpiled. Recently the CBC, in a documentary on the aircraft industry in Canada, referred to Canadair's difficulty in marketing this type of aircraft. Senator Manning pointed out in committee that the province of Alberta found it much cheaper to hire aircraft than to maintain its own particular aircraft for the purpose of fighting forest fires. Yet, without considering the wisdom of the loan, we are presented with the item and asked to either approve it or delete it.

We received no information, other than a brief explanation from an official of the Treasury Board, on whether or not it was a wise move on the part of Canadian taxpayers. This is my objection.

As I say, I cannot object to the Canadair loan. We know nothing about it. We were told nothing about it. The problem of approving certain grants and commitments is further compounded by announcements made by the government outside Parliament, and indeed while Parliament is not in session. I illustrate this by pointing out that recently we were asked to deal with many such items in connection with supplementary estimates (A). The government announced certain programs and specified the amount. Parliament was not consulted as to the wisdom of the programs. Parliament was not consulted on whether the amount of money set aside for a particular program was appropriate or inappropriate. We were merely asked to rubber-stamp the items; and, honourable senators, when this chamber was criticized for being a rubber stamp, the House of Commons was placed in the same position. The money was expended. What are you going to do? You rubber-stamp it. What else can either chamber do?

In the other chamber they may, by means of various rules, bring up certain projects; but have we ever had an opportunity here to discuss the wisdom of the LIP or Opportunities for Youth projects? Have we ever been consulted on, or had the opportunity of discussing, alternative measures that might be equally or more effective?

Perhaps honourable senators are quite willing to accept everything coming from the Treasury benches as being the ultimate in wisdom, but I for one have certain reservations about that. This chamber, as well as the other chamber, possesses a great deal of wisdom and has a great deal to offer. If these projects were not presented as a fait accompli, then one could present an alternative and debate the pros and cons of each program. Unfortunately, this has not been the case.

Another aspect of the expenditures which I feel does not receive adequate surveillance from Parliament—and by "Parliament" I include both chambers—is the various federal-provincial programs. I would refer honourable senators to vote 21b under the Renewable Resources Program. This vote is to cover the loss incurred by the Freshwater Fish Marketing Corporation. That loss amounted to $1.5 million. In each of the past two fiscal years the loss has been met equally by the federal government and the three provinces concerned with the Freshwater Fish Marketing Corporation. When we look at the situation, we find that the Freshwater Fish Marketing Corporation handled seven million pounds of fish in each of the past two years, yet somehow they managed to lose $1.5 million in the process of handling that seven million pounds of fish. Most of their pickerel, and so on, retailed at $2 per pound.

• (2050)

Hon. Mr. Everett: May I ask the honourable senator a question? I am a little confused. Are you saying that the contribution to the losses of the corporation is $1.5 million for each year, of $1.5 million over the two years?

Hon. Mr. Phillips: My understanding from the report of the Treasury Board officials was that it was a $1.5 million loss to the federal government and a $1.5 million loss to the three provincial governments, which, divided in half, makes for a loss of $1.5 million per year. I apologize if I have confused the honourable senator, but regardless of the method of arithmetic we follow, it still comes to a $1.5 million loss per year.

In addition to the fact that there has been this $1.5 million loss per annum, the following vote asks the Canadian taxpayer to pick up the chit for buying out small privately operated plants. They have been very kind. They have asked for it to the tune of half a million dollars per year. If that is added to their loss, it really

comes to a startling figure. The loss works out to approximately 21 cents per pound. Even I could sell fish at a loss of 21 cents per pound. Yet, the Department of the Environment states that it costs the fishermen seven cents per pound, and the fishermen claim that it costs them closer to 20 cents per pound. However, regardless of the method of dividing it, it still comes to an extremely high loss per pound.

The figure involved is not a large one. I did not pick this item to embarrass anyone, because I wanted to follow the example set by the chairman of our committee, which is not to pick up the ball and run down the field in any partisan sense. But surely we are entitled to some explanation with respect to this extremely high loss. It clearly illustrates the need for parliamentary surveillance of federal-provincial expenditures.

In studying supplementary estimates over the last two or three years, I have been bothered by the fact that there is a great tendency on the part of various departments to hide particular items under a general description. The officials of Treasury Board admitted in our committee that the Department of National Defence was one particular department which had to improve in this respect.

I was particularly interested in finding out the cost of NORAD. How can you find the cost of NORAD under the description, "Protection of Canada"? I presume NORAD is protecting Canada. The second item listed is North American Defence. Again, NORAD should be involved in that item. We must have more clarity, more description and more detail than we currently receive from the department. The NORAD Agreement expires shortly, and the Lewis-Trudeau government must decide whether or not we will renew that agreement.

Hon. Mr. Flynn: Are you sure you mean the Lewis-Trudeau government with Lewis first?

Hon. Mr. Phillips: Yes, definitely. Everybody in Canada knows that.

Hon. Mr. Flynn: One is the acting Prime Minister.

Hon. Mr. Phillips: They are co-Prime Ministers, Senator Flynn. We must have more information as to what these various agreements are costing us. When items are listed under Protection of Canada, North American defence—and I presume NORAD is doing both—how does one isolate the cost of NORAD?

Senator Carter, in committee, raised a question about what I would describe as the overlapping responsibilities of various departments. If my memory serves me correctly, he inquired concerning the fact that the Ministry of Transport, rather that the Department of Public Works, is doing dredging in Stephenville, as was formerly the case. I think that is a very valid question and one which should be followed up. If you are following one item or one particular project, you may find as many as three departments contributing to it. It not only requires a Philadelphia lawyer, it requires a Philadelphia accountant to ascertain the final figure with respect to that item. As I say, I think the question raised by Senator Carter is a valid one.

Honourable senators, as I have already said, I do not wish to take the ball and run down the political field in opposition to the wishes of the chairman of the committee. It is really not my intention—

Hon. Mr. Everett: I rise on a point of order. I do not think the honourable senator can say, in fairness, that it was my wish. I think what I said was that people might wish to do that. It was not my wish that they be restricted in their right to do so.

I think you will agree that that is the correct interpretation.

Hon. Mr. Phillips: I agree, Senator Everett, that you have quoted your exact words. However, words are always open to interpretation and my interpretation was that you did not wish anyone to take your remarks and run down the football field with them in a partisan way.

• (2100)

Hon. Mr. Everett: As long as we agree on the exact wording, as I think we do, you are free to put any interpretation you want on it.

Hon. Mr. Phillips: I thank the honourable senator for that freedom. Your remarks are on record in *Hansard* and perhaps anyone could put any interpretation they wanted on them. I do not wish to place you in a difficult or embarrassing position by misinterpreting your remarks. That was all I wanted to say. I did not want to place you in an embarrassing position. Quite frankly, I am saving that for the appropriation bill, so do not worry about being embarrassed tonight. You will not be.

The committee spent some time on the transfer, not the sale, of Polymer Corporation to the Canada Development Corporation. Our committee had no advance knowledge of what was going to happen in the other place yesterday, and this is why I am at this time avoiding the political aspect. In committee we asked the Law Clerk to confirm that the Canada Development Corporation, presently the sole owners of Polymer Corporation, formerly a crown corporation, is not required to report to Parliament. The Law Clerk confirmed that under the act CDC is not required to report to Parliament. I do not quarrel with the Law Clerk; he is too brilliant a lawyer for someone such as myself to question his decision. In addition, I understand that the Law Clerk consulted the Department of Justice before giving us his decision, which was again that the CDC is not required to report to Parliament. Following that decision, I find it intriguing to look at Schedule E, which is conveniently found at page 391 in *Hansard* of Thursday last, where the explanation of the $1 item is given. We see vote L16b under Finance. Honourable senators will note the use of the "L", signifying a loan. The explanation is:

> Authority is requested for the deletion of the words "Polymer Corporation Limited" from the schedules of the Crown Corporations Act and the Financial Administration Act.

It is indeed weird and wonderful to see this under a $1 item. On the one hand, CDC is not required to report to Parliament. On the other hand, under a $1 item we are granting authority for the government to remove Polymer Corporation Limited from the schedules of the Crown Corporations Act and the Financial Administration Act.

Hon. Mr. Forsey: May I ask the honourable senator a question?

Hon. Mr. Phillips: Certainly.

Hon. Mr. Forsey: Is not that the item which was defeated in the other place when it came up and deleted from the bill that resulted?

Hon. Mr. Phillips: I do not profess to know everything that has happened in the other place. You may be perfectly correct. My limited knowledge goes only to the fact that last night the other place went to the extent of removing $19,000 from Information Canada in clearing out a warehouse. I do not know whether this item was deleted. I would have to see the appropriation bill to know whether it is still in there, and I have not received a copy of the appropriation bill as of this moment. You may be perfectly correct.

It is also interesting to refer to vote 11b under Industry, Trade and Commerce. If I ever saw a carte blanche before, this is carte blanche. It is a $1 item. I am associating it, fairly or unfairly, with the directors of CDC. Briefly, it states that someone appointed by the government to be a director of a company owned by Canada, not necessarily a crown corporation, is exempt from the following:

> all costs, charges and expenses whatsoever that he sustains or incurs in or about any actions, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office.

It goes on to state that all other costs, charges and expenses that are incurred by the director are subject to reimbursement.

Honourable senators, I have heard of insanity in a good many forms, but this is complete financial insanity. On the one hand we take a corporation, value it at a loss of $42 million, and give it to a board of directors, who say they cannot establish a fee, for a figure somewhere in the vicinity of $62 million, yet in the same estimates we exempt that board of directors from complete responsibility for their actions. I am not being political in this regard. It is just difficult to understand that action. It should be a cardinal rule that when public moneys are involved, a report must be made to Parliament. This applies to both the $1 items and those items covered under regulations established by the Treasury Board or the Governor in Council.

• (2110)

In closing, I would merely point out that we should examine all estimates. Furthermore, if we take the number of people who paid income tax last year and apply that to the budget proposed for the following year—and that would not be the final figure—we arrive at an amount of over $2,400 per person paying income tax. I suggest that that is reason for us to have the assurance referred to by the chairman of the committee.

I thank you for your indulgence.

Hon. Sarto Fournier: Honourable senators, may I be permitted to put one question to the honourable senator? In the course of his remarks, he mentioned one Senator Fournier. As there are three Senator Fourniers who have the honour to sit in this house, I would like very much to hear to which one of the three he was referring.

Hon. Mr. Phillips: Honourable senators, I did not think that needed clarification. Usually we hear from one Senator Fournier and that was the senator I was referring to, the honourable senator from Madawaska-Restigouche.

Hon. Jacques Flynn: Honourable senators, may I add a few words, to emphasize further the point made by Senator Phillips about vote 11b under Industry, Trade and Commerce, the authority to enable the Crown to indemnify its representatives elected to the board of directors of any company in cases where the federal government wants to protect its interest in the company.

It seems to me that this is a typical case of an amendment of a general law being hidden in a description, or wording of some kind, in an appropriation bill. This really should have been done by an amendment to the Canada Corporations Act, because it puts the directors appointed or recommended by the Crown in a very special position by granting them indemnity in respect of responsibilities that all directors in other corporations have to bear. This should not be here. It may be a good idea or a good principle—I do not know—to embody it in the Canada Corporations Act, but to hide it in an appropriation bill like this is absolutely incorrect and improper. It should not be there.

Honourable senators, we have been very critical of these $1 items which amend legislation, and I have not seen a better example than this of amending legislation by means of an appropriation bill. This is merely hiding something from the general public. How will we know, in a few years, that there is an exception to the responsibilities of directors under the Canada Corporations Act, and that this exception applies to directors appointed by or on the recommendation of the government? Of course, some people probably will remember it in due course, because the President of the Treasury Board will have provided some insurance or some form of guarantee for the indemnity of those directors. But people generally will be surprised, some years from now, to discover that these directors enjoy a special status because of this provision inserted in an appropriation bill, where it really does not belong.

I protest against this method which has been used too often to provide special advantages to some people.

Hon. Eugene A. Forsey: Honourable senators, may I add a few words to what has been said on this subject? First, I should like to associate myself very strongly with the criticism which has just been made of the use of these $1 items for legislative purposes, a criticism which has been made by the honourable Leader of the Opposition. As he said, this is a most improper way to legislate. I regret very much that this kind of thing is done.

As I think he said on a previous occasion, there may be exceptional circumstances in which this may be done, on some small scale, for some trifling matter, where a small injustice has to be remedied and haste is required. I am not prepared to say there are no circumstances in which this should be done. However, it seems to me that there are very many of these items which essentially are quite improper. If legislation is required, it should be embodied

in a substantive bill introduced for the purpose of amending whatever act is involved.

Honourable senators, I also associate myself with the insistence of the chairman of the committee, and of various other honourable senators, that government spending be scrutinized with the utmost care and that the present methods of scrutinizing such spending are not always completely satisfactory. I do not want to put it in too strong language, but I think there would be general agreement among many of us that some of these matters require more scrutiny, and that the methods at present available for scrutinizing them are not altogether adequate. As Senator Phillips has indicated, we are not always given adequate information about certain items presented to us.

Honourable senators, I wish to enter my strong dissent from the view set forth by the chairman of the committee—and supported, I think, by some others who have taken part in the debate—that there is some magic percentage of gross national product beyond which public spending cannot go without being injurious to the public weal. I do not think this is true at all. I do not think it is possible to lay down a percentage, whatever it may be, and say "thus far and no further;" "thus far it is all right but beyond that it is all wrong."

I say that for this reason, which seems to me quite simple. As society becomes more complex, there are more and more things which can be done effectively only by public spending, not by private spending.

For example, it is completely impossible now for the individual in an urban society to provide himself, on his own, by private enterprise, with a pure water supply. Many years ago, in Newfoundland, my great-great-grandfather, who was evidently a stickler on environmental questions, was so keen on having a pure water supply that he insisted on building his house some distance outside the small outport where he lived, putting his family to some inconvenience in going back and forth on the various errands they had to do in the village. In those days, in that kind of primitive society, if you wanted a pure water supply, you could make sure of it by getting it yourself; if you wanted proper disposal of sewage, you could make sure of it by arranging it yourself. But in a modern urban society, a great many of these things can be performed effectively only by public enterprise. There is a vast number of things of this sort, and it would be tedious to enumerate them.

I am not prepared to say that some of the things done by public expenditure might not be done better by private expenditure; neither am I prepared to say that some of the things done by private expenditure might not be better done by public expenditure. This is a judgment which has to be brought to each particular question as it arises. We have to look at each one as a matter of common sense and decide the best way to deal with it.

I am simply unprepared to accept the view that if the proportion of the gross national product taken by public expenditure rises by so much in a particular year, that is necessarily bad. It may be or it may not be. I cannot see that there is something essentially good about private spending and something essentially bad about public spending. It depends on what the spending is for. It depends on whether in fact the end in view can be better served by public spending or by private spending. Masses and masses of things in modern society simply cannot be adequately looked after by private spending. Almost anybody, even the most fervent disciple of Adam Smith or Ricardo and even the most ardent believer in private enterprise, would admit this.

The classic example, of course, is defence. It would be completely impossible to defend the country by means of private enterprise. Nobody, so far as I know, has ever suggested that we should turn over to private corporations or to a private individual the defence of Canada.

Admittedly, that is an extreme example. At the other end of the scale we could probably find examples where it is very doubtful whether anything is to be gained by entrusting something to the public sector which is being adequately done by the private sector.

I simply wanted to register my protest against what seems to me to be the sheer superstition—and I don't care what eminent economist might have set it forth as economic gospel—that there is some sacred figure, some percentage, beyond which public expenditure as a proportion of the gross national product is deleterious and injurious. I simply don't think this is true.

I think it is important that we should recognize this, because it is altogether probable that in the near future, and still more probable in the less near future, we are going to have a great deal more public expenditure on the protection of the environment. That is something which in my judgment will call for an immense amount of public expenditure, if it is to be effectively done, and is something which cannot be done effectively by the private sector. We must reconcile ourselves, I think, to the possibility that for certain purposes essential to the preservation of life on this planet, let alone any kind of tolerable existence for our children and grandchildren, it is going to be necessary to engage in certain public expenditures beyond anything we have ever had before.

Hon. Mr. Phillips: Honourable senators, I wonder if I could ask Senator Forsey a question. In his remarks he stated, if I recall his words correctly, that it was impossible to arrive at a figure beyond which it was deleterious and damaging.

Those may not be your exact words, sir, but I believe you said that when expenditures as a percentage of GNP pass a certain mark it would be impossible to state that this was damaging to the private sector. Conversely, sir, can you give us a figure where the socialist spending, as a percentage of GNP, becomes beneficial to the private sector?

Hon. Mr. Forsey: Excuse me, senator, but I think I must have failed to make myself clear. I did not say "damaging or deleterious to the private sector;" I said "deleterious and injurious to the common weal," which is not quite the same thing. I do not think you can find any precise figure. I do not think you can say that at 37.5 per cent it is all right but that at 37.6 per cent it is wrong, or that at 40 per cent it is all right whereas at 41 per cent it is wrong. I think it is a matter that has to be decided in each particular case.

An Hon. Senator: Order.

The Hon. the Speaker: Is Honourable Senator Forsey asking a question of Honourable Senator Everett, the mover of the motion?

Hon. Mr. Forsey: No, I was trying to contribute to the debate which I thought was taking place. Was there no debate taking place?

The Hon. the Speaker: I do not think it is in order to continue the debate.

Hon. Mr. Forsey: If the remarks made by Senator Phillips were by way of a question to Senator Everett, then I am afraid I was under a misapprehension and I am very sorry if I have transgressed the rules. But compared to the remarks of some others, my remarks have been somewhat briefer in this debate—I will not call it a debate, but in this discussion. It reminds me of the discussions we used to have in the Canadian Labour Congress between the directors of the departments and the officers of the Congress. They must not be called negotiations. We simply had "non-negotiations" by which we tried to settle our wages and working conditions with the officers. Perhaps in this case we are simply intended to ask questions of Senator Everett, but I must say that Senator Phillips' questions seemed to me to be fully as prolonged and as extensive and discursive as what I thought was my contribution to a debate.

Hon. Mr. Phillips: Honourable senators, since my name was brought into this point of order, may I point out to the Honourable Senator Forsey that brevity has nothing to do with the rules. If brevity had anything to do with wisdom, then I would hope that he would learn.

Hon. Mr. Forsey: I did not suggest that brevity had anything to do with the rules. I mentioned the discursiveness of Senator Phillips' remarks, or, as I now understand them to have been, questions. I am sorry I did not interlard my remarks with a series of question marks or points of interrogation, or that I did not raise my voice in tones of interrogation. I must remember to do that on another occasion and follow the admirable example set by Senator Phillips.

Hon. Mr. Everett: Madam Speaker, I must say that I have to agree with Senator Forsey. I think that he was indeed taking part in a debate.

Hon. Mr. Smith: Are you closing the debate?

Hon. Mr. Everett: Yes.

The Hon. the Speaker: Unless you are answering a question, Senator Everett, I do not think you have the right to close the debate.

Hon. Sidney L. Buckwold: Are we still on the debate, Madam Speaker? I would like to make a remark further to the remarks of Senator Forsey.

Hon. Mr. Forsey: Apparently it is not a debate.

The Hon. the Speaker: Honourable senators, the Clerk advises me that Senator Everett may answer questions or may speak twice, with leave. But if Senator Buckwold wishes to speak, he may do so.

Hon. Mr. Buckwold: If I may be given a minute or two to follow up on Senator Forsey's remarks, I think that nobody would object to the general principle of what he says, namely, that the percentage of the gross national product which is going towards government expenditures is not by itself necessarily the criterion of how government operates. I think we would all agree that with the complexity of our society we will more and more be utilizing government expenditures and government programs; but I think it would be wrong not to challenge at least one or two of the concepts put forward by Senator Forsey, who would suggest almost a carte blanche for government expenditures. Taking that to its extreme, of course, we could take 100 per cent of the gross national product and have the government spend it.

I believe there are two major weaknesses in this whole idea, this philosophy put forward by the distinguished senator. The first is the inefficiency of government. I think that basically most of us are not particularly concerned with the expenditures on programs. Our concern is whether we are getting value for our money and whether the taxpayers are in fact getting the very best service for the money that is being expended. I should like to suggest, for one, that this is not necessarily so; that the more government we have in programs, essential as they may be, unless they are very closely supervised as to their propriety and as to the efficiency of expenditures, the more waste we find developed in the country to the burden of our taxpayers.

My first point is, therefore, that certain expenditures by themselves are not necessarily bad but that the Government of Canada, the two chambers of the Parliament of Canada, must bear the responsibility of making sure that those programs are efficiently operated. I believe that is one of the points Senator Phillips put forward.

Hon. Mr. Forsey: And I fully agree with it.

Hon. Mr. Buckwold: The other point is that as we get more and more of our gross national product being spent by government, and I refer to all levels of government, it means, of course, that the taxpayers, those who pay the bills, spend more and more of their working hours supporting governments and paying their earnings over to governments. We see the effect of this when many people lose their ambition to earn more money because there really is not much point in getting a higher salary or in working harder when the government is going to take back most of it in any case. I feel that there is a real deterrent to the progress and the industrial development of the country, indeed, to the whole ethic of doing one's best, when we find so much of our expenditure and so much of our income going to government. So that while I agree with my former learned professor of economics that the percentage in itself is not necessarily bad, I should like to remind him that there are many built-in weaknesses in the continuing expansion of government expenditure.

• (2130)

Hon. Mr. Forsey: And the continuing expansion of vast private corporations.

Hon. Douglas D. Everett: Honourable senators—

The Hon. the Speaker: I must remind honourable senators that if Senator Everett speaks now his speech will have the effect of closing the debate.

Hon. Mr. Everett: Honourable senators, I should like to deal with some of the remarks made this evening. First of all, in respect to the escalation in the public debt, I would point out that it is indeed a fact that the interest on the public debt has increased from a forecast of $2.175 billion to $2.581 billion between 1972-73 and 1973-74. However, $206 million of that is accounted for by interest on the balances of the superannuation accounts for the Canadian Armed Forces, the RCMP and the Public Service which have been moved from their respective departments to the public debt sector of the estimates. For that reason the increase is not $406 million, as it appears superficially, but rather $200 million, which is to be compared with $165 million in the previous year.

Coming now to the matter of rubber-stamping, I suppose it is vogue in a way to talk about rubber-stamping since indeed many of the expenditures that Parliament has to examine are either in the course of being made or have been made. Nevertheless, that is the mould that is set by the various acts under which the government has to operate. According to those acts we receive the main estimates in February, the first supplementary estimates in November, and the second supplementary estimates in March. It is true, as I say, that some of the expenditures have already been made, and most of them have been committed. In the case of supplementary estimates, these involve changes in expenditures by government. That is not to say that the government on its own is departing from the norm set by Parliament. If it has been set by Parliament, and it is desired to handle it differently, then the act should be amended. But until that is done no criticism should be levelled at government for following what is set down in the various financial administration acts.

As to the various programs involved, the point has been made that we do not get enough information in the blue book. But if you look at the blue book, honourable senators, you will see it is from three to four inches thick, and if it were to give all of the detail that we and the members of the other place might like, this would mean blue book upon blue book upon blue book that, in fact, no one would ever look at.

The estimates and the supplementary estimates are tabled in the two chambers where in turn they are referred to appropriate committees, and that is where the detailed examination should take place. Senators and members of the other place are free to ask questions of any of the officials of government, and in the overwhelming majority of cases they receive answers, unless secrecy is offended, or unless certain competitive situations existing between corporations are offended, or unless an unwarranted invasion into personal privacy is involved. I simply cannot buy this argument that there is not enough information presented. As I say, if the blue book does not contain all the information we would like, then we have the opportunity to call any official to testify, and we are free to ask whatever questions we feel should be asked.

The case of Polymer Corporation—referred to in vote 16b under Finance authorizing the deletion of the words "Polymer Corporation Limited" from the schedules of the Crown Corporations Act and the Financial Administration Act—is merely a housekeeping operation. I think you will probably find that in the Canada Development Corporation Act authority has been given for the purchase of Polymer Corporation by the CDC. Once it became a subsidiary, then Polymer Corporation clearly should not be reporting, as though it were a crown corporation, directly to the government. As a subsidiary of CDC it should report to the CDC. As I have said, honourable senators, this is nothing more than a housekeeping measure.

So far as the obligation of CDC to report to the government is concerned, we draw attention to this oversight in our report. We, as the National Finance Committee, suggest that so long as the government owns all the shares of CDC there should be a requirement that CDC table its financial report in Parliament. I am almost certain that this will be done.

As far as vote 11b under Industry, Trade and Commerce is concerned, this is a $1 vote which does, I think, give a special right to those directors, but I would point out that this is a clause that is included in the bylaws of almost all commercial corporations. I would also point out that the director is not absolved from such costs, charges or expenses as are occasioned by his own willful neglect or default.

Nevertheless, I am constrained to agree with both Senator Phillips and Senator Forsey about the business of legislating through $1 votes. Indeed, the National Finance Committee probably has done more than anybody else to bring to the attention of Parliament the legislative effect of these $1 votes. Even so, I agree that in many instances there should be first, second and third reading of many of the matters included in the estimates.

Honourable senators, I do not want to detain you here any longer than necessary, but I must reply to Senator Forsey's point on the percentage of the gross national product involved in government expenditures. In this connection I shall read from page 377 of Senate *Hansard* where I said:

> I remember reading in an economic textbook that if the level of total government expenditures exceeded 25 per cent of the Gross National Product, the economy was in the danger area, and that at 40 per cent, the amount of freedom left to the private sector was seriously curtailed.

I should like to read also from the *Monthly Economic Letter* of the First National City Bank of New York in which they say:

• (2140)

> Years ago, it was fashionable to prognosticate disaster if the combined peacetime expenditures of the federal, state and local governments exceeded 25% of the GNP.

Senator Forsey will remember this was Colin Clark's contribution to economic debate. The letter goes on to say:

> That threshold was uneventfully crossed in the 1950s, and until recently there has been relatively little interest in the subject. Only now has it become apparent that uncontrolled government spending may have a slow but chilling impact on the health of an enterprise economy.

I think that Senator Forsey is right in criticizing me for using the figure 40 per cent, because indeed the 40 per cent might be right or it might be wrong. But I did say that whatever percentage it was it curtailed the amount of freedom left to the private sector. As I say, I think Senator Forsey is right in criticizing me for using the figure 40 per cent. It might be 45 per cent or it might be 35 per cent. Neither he nor I—nor Senator Goldenberg's friend Mr. Galbraith—know what is the correct percentage.

I think Senator Buckwold made an excellent point with regard to this whole business of increases in government expenditures. If the government continues to grow, then we are involved in a competition for resources between the two sectors of the economy. We probably face a multiplication of programs in both sectors that on real examination make very little sense. And we probably face an increasing inefficiency of ever-increasing tax rates. So I have to agree that there is no point at which you can fix a percentage. But that does not mean we should be cavalier about a percentage which seems to be growing at a phenomenal rate.

Senator Forsey, with respect I would amend what I said previously to this: uncontrolled government spending may have a slow but chilling impact on the health of an enterprise economy. I hope, Senator Forsey, that you will agree with that statement.

Hon. Mr. Goldenberg: Would the honourable senator allow me a question? Is it not a fact that the private enterprise system has flourished as never before in post-war years along with the increase in government expenditures?

Hon. Mr. Everett: I think probably that is a fact, senator. I do not know what you mean by "flourished." If you mean in size of volume, or in size of profits, or in numbers employed, then yes it has. So has the gross national product flourished. The fact is that the government is taking an ever-increasing percentage of an increasing gross national product; and at some point the free enterprise system will not flourish. Senator Goldenberg, would you not agree with the fact that if the percentage continues to increase there comes a point at which the free enterprise system will not flourish?

Hon. Mr. Goldenberg: Some people have been saying that for the last 50 to 75 years and we have not yet reached that point.

Hon. Mr. Everett: That is right. Some people have been saying for the last 50 to 75 years that there will be an enormous earthquake in Los Angeles because of the San Andreas fault. But just because it has not happened yet does not mean that some day it is not going to happen.

Hon. Mr. Phillips: The astronauts went to the moon.

Report adopted.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, March 28, 1973

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

Prayers.

THE HONOURABLE MARY E. KINNEAR

TRIBUTES ON RETIREMENT FROM SENATE

Hon. Leopold Langlois: Honourable senators, I rise to bid a fond farewell to a distinguished member of this chamber, the Honourable Senator Mary Elizabeth Kinnear, who will retire on April 3 next.

Senator Kinnear was summoned to the Senate in 1967 and is one of the most respected members of this house. She has made a valuable contribution both to the Senate itself and to its committees. She has been faithful in her attendance whenever and wherever her presence has been required.

Senator Kinnear has a long record of service to her community, her province and her country. She has been active in business, public and social affairs. She is a past vice-president of the Business and Professional Women's Club, and an honorary life member of the Women's Liberal Federation of Canada, of which she was president from 1959 to 1963. She has also been president of the Port Colborne Branch of the Victorian Order of Nurses, and the Red Cross.

The absence of Senator Kinnear, the absence of her social conscience and her ability to apply it to the concrete problems of our society, will be deeply felt by all of us. We know that in her retirement from this house she will bring to the social problems in which she will undoubtedly become involved the same gracious energy which she has demonstrated in the Senate.

She will be greatly missed by all her colleagues in this chamber, and we wish her good health and continued success in the enterprises in which she will engage.

Hon. Jacques Flynn: Honourable senators, if it were not for people like Senator Kinnear the phrase "decent Grit" might be a paradox. This lady is not your ordinary run-of-the-mill power-thirsty Liberal. She never has compromised and, I am sure, never will, principles to win votes, revamp political philosophies to stay in power. I am not speaking of the present situation, of course.

Hon. Mr. Choquette: Oh, no.

Hon. Mr. Flynn: Her political outlook is never jaundiced by partisanship. She is loyal, but not fanatical. She never refuses to listen. She always seemed willing to accept that we might have something worth while to offer. It did not seem impossible to her that our suggestions might serve to improve legislation and benefit the Canadian people. To her we were not the enemy. We were the Opposition, whom she seemed to respect.

• (1410)

I want her to know that the feeling has always been mutual. I have heard nothing but praise for her among members of the Conservative caucus.

Senator Kinnear is a very able woman, a woman of considerable experience in many different fields. Her influence was felt most in committees. She posed questions, pointed out problems and offered advice. Always one could detect a certain incisiveness, a marked ability at getting to the crux of a problem.

We profited from her stay among us. The people of Canada will have profited from her having served as senator for six years.

So, it is with deep chagrin that we bid a fond adieu to a truly uncommon and pleasant person—a kind, quiet, thoughtful, mild and unassuming lady.

She thought and she spoke—and she did them in that order. And she did more thinking than speaking, as a result of which she was listened to. There is something to be learned from that. I hope it will not escape those who could benefit most from noticing—and I am not excluding myself.

Senator Kinnear, my colleagues and I wish you a restful and fruitful retirement. You have done good work here; you have been a credit to the institution. It has been a pleasure and an honour to have you with us. I hope that you will continue to serve the people of Canada in some other way.

Good luck, good health, and Godspeed to you, senator.

Hon. F. Elsie Inman: Honourable senators, I wish to join in what has been said about our well-loved and highly respected colleague, Senator Mary Kinnear. There is a nostalgic touch involved when a beloved member of the Senate comes to retirement. I am sure we all sense it now, for Mary Kinnear will be greatly missed in this house.

Senator Kinnear was active in politics in her native province of Ontario for many years before she became National President of the Women's Liberal Federation, when I had the pleasure of working with her. During her term of office she made many friends throughout Canada who still remember her with affection. She was also active in many other organizations having to do with the welfare of her community.

Senator Kinnear was summoned to the Senate in 1967 and during her years here she made a valuable contribution to our deliberations. She has been a member of several standing committees of the Senate, and was a member of the Special Senate Committees on Science Policy and Mass Media, which did such good work and which produced valuable reports.

Senator Kinnear brought to this chamber an excellent knowledge of the many other problems which face us as a

nation. She has often spoken on pollution, which is one of the greatest problems with which we have to deal today.

She has been a conscientious and loyal member of this house. Her attendance has been almost perfect. She has always accepted with grace and dignity the responsibilities attendant on the duties of a senator and has, therefore, earned the respect and good will of each one of us. Senator Kinnear has been a good friend and a valuable senator. Her retirement will be a definite loss to the Senate.

I wish Senator Kinnear happiness, good health and the best of all worthwhile things in life in the years that lie ahead. And whenever she should decide to visit us, and I hope that will be often, I am sure she will receive an enthusiastic welcome.

Hon. Josie D. Quart: Honourable senators, may I join with my honourable colleagues in expressions of regret that Senator Kinnear, on reaching the age of compulsory retirement, must bid au revoir to the members of the Senate.

Senator Kinnear may no longer be with us in this chamber, but she will not be forgotten and will live on in our memory for her many human qualities, her warm and friendly personality, her constant good humour and her practical common sense.

Her career in the Senate was marked, as many colleagues have noted, by her devotion to and attendance at the sessions in this chamber as well as by her assistance and participation in the various committees. Since Senator Kinnear's appointment to the Senate she has been held in the highest respect both as a woman and as a senator.

Senator Kinnear, I wish you health, happiness and success in carving a new career in other fields.

In conclusion, I should like to quote from a poem written by Binnie and Bill Parrott, bridge club friends of Senator Kinnear. This poem was given a trial run at a reception the other night and I promised to read it in the Senate. The poem is entitled, "Guess who? Our Mary."

She spent her time working
To get others elected,
Travelling through Canada
Making speeches she selected.
Appointed as senator not long ago
Continued her work without ever a "no".
A gem on the Science Policy Committee
And her speech on pollution for all to heed
Page 391 in *Hansard* I do believe.
When investigator she was of great renown
In Playboy Club in Montreal
And the Lido in gay Paree
She found to be sound.
Exploring the country
Was one of her likes
A covered bridge in the Gatineau
Was one of her delights
Speaking of bridge,
Three no trump she bid—down four—Oh well—the cards away
Another deal might save the day.

Hon. Mary E. Kinnear: Honourable senators, it is a bit of an overwhelming day and I am a little shaken, but not shaken enough that I cannot enjoy what you have said. I was very pleased to hear so many pleasant remarks by the honourable speakers.

When I came here in April, 1967, I received a very warm welcome from two members whom I had known before, our Honourable Speaker, Her Honour Muriel Fergusson, and the Honourable Elsie Inman. In a very short time others joined in that warm welcome, and since then it has been a great joy for me to be a senator here. I will miss you all very much.

I think my sins of omission are very grave, but one thing that I omitted to do that I had intended to do in the past few months was to write to the Right Honourable Lester B. Pearson to thank him for my summons to the Senate. It is too late now, but probably Mrs. Pearson realizes that I intended to do that.

Of course, coming into the Senate in that glamorous year of 1967, when all eyes were on Canada and her 100th birthday, was a wonderful experience. It was a great year and I felt that if I just lived through 1967 I would have achieved a great deal.

Then that year passed and we came into serious work. The first committee of which I became a member was the Special Senate Committee on Science Policy. I remember well when the leader of the Senate, who at that time was the Honourable John J. Connolly, sent me a note asking me if I would like to be a member of that committee. I accepted at once, of course. I felt it would be great. I did not know then that it would take years of work. Although my contribution was minor, it was one of the highlights of my life to be on that committee. I found it to be a penetrating and comprehensive inquiry, and many of the recommendations have been implemented. I must say that the Honourable Senator Maurice Lamontagne was a wonderful chairman, and I enjoyed serving on his committee. Then I was a member of another special committee of which my long-time friend, Senator Keith Davey, was chairman. It seems to me that I can discern an improvement in the mass media since that time. I hope it will continue to improve.

• (1420)

There is one matter I should like to mention at this time, and I do not blame the media for this, and that is the quality of television reception in Ottawa. I am accustomed to television reception in southern Ontario where it is excellent, and so I find myself complaining about the dreadful quality of the reception here.

Honourable senators, Prime Minister St. Laurent said on one occasion that it is great to be a Canadian. I agree wholeheartedly, and I hope everyone in Canada is of the same point of view. I cannot think of any other nation in the world of which I would care to be a citizen.

Many years ago we had a senator from my area, St. Catharines, the Honourable J. J. Bench, and he and Senator Connolly have been great proponents of the Senate. Senator Bench died early, but he spent much of his time

expounding on the value of the Senate, and I know that Senator Connolly does the same thing year in and year out. We all greatly admire his zeal in reminding us constantly of the work of the Senate. For my part, I feel there is more talent in the Senate than there is anywhere else.

Honourable senators, I now come to a matter which I am reluctant to raise at this time but I feel I must. I was horrified to read in the *Globe and Mail* this morning of the serious industrial accident in Dunnville, or to be more precise, Port Maitland, which is a very short distance from my home. I am sure that Senator Lamontagne well remembers my talking to him about this chemical industry and my worry about the effects of the emission from its stacks which was harmful for both vegetation and animals at that particular time. I should like to read this item which appeared in the *Globe and Mail* this morning, in the hope that something will be done to prevent this type of accident in the future. The headline is "Tons of acid spill in blast at Erco plant" and it reads:

> DUNNVILLE—Two men were in poor condition last night with acid burns received when about 800 tons of sulphuric acid escaped from a tank that exploded at the fertilizer plant of Electric Reduction Co. of Canada Ltd. A third man was in satisfactory condition.
>
> A statement from the Ministry of the Environment late yesterday said about half the acid made its way into the Grand River. James Kelly, a company spokesman, said last night, however, that the acid and up to 50 tons of thick bunker C oil had all been contained on land.

This particular plant has very little land around it, and it would not surprise me if the Minister of the Environment were right when he said that half the acid escaped into the water. The item continues:

> James Anderson, 32, of Dunnville and Harry Cates of RR 1, Maple, were being treated for severe acid burns in Hamilton General Hospital. Carl Acker, 43, of RR 6, Dunnville, was the third man injured. Mr. Kelly said the acid and oil spilled when an acid tank exploded during an unloading operation at the company's nearby Port Maitland plant.

At this point I would simply remark that it must have been a dreadful explosion when 800 tons of sulphuric acid was involved. The item continues:

> The Environment Ministry alerted the Dunnville water treatment plant, which draws water from Lake Erie 2½ miles southwest of the spill site, and sent experts to the area to test drinking water supplies.
>
> The Ministry of Natural Resources, which operates Rock Point Provincial Park 2½ miles to the southeast, was also alerted.
>
> "Sulphuric acid is a heavily concentrated acid that cannot be contained in water but can be neutralized only by the addition of a chemical base. It would kill fish, vegetation and affect any kind of life it comes into contact within its natural state," an Environment Ministry spokesman said.

I feel that it was a very sad accident.

Honourable senators, my interest in legislation will continue as long as I live. My deep concern for all Canadians will remain. I know that as a result of the works of this chamber of sober second thought, and the combined efforts of the Crown, through His Excellency the Governor General, and the House of Commons, Canada will expand and grow in a proper way to be among the leading nations of the world.

I offer my thanks to all honourable senators, and to the members of the Senate staff both inside and outside this chamber, and to my friends in private life for their contribution to my interesting six years here. Thank you and goodbye.

Hon. Senators: Hear, hear!

DOCUMENTS TABLED

Hon. L. Langlois tabled:

Report of the Canadian Livestock Feed Board for the crop year ended July 31, 1972, including its accounts and financial statement certified by the Auditor General for the fiscal year ended March 31, 1972, pursuant to section 22 of the Livestock Feed Assistance Act, chapter L-9, R.S.C., 1970.

Report on the administration of the Supplementary Retirement Benefits Act for the fiscal year ended March 31, 1972, pursuant to section 11 of the said act, chapter 43 (1st Supplement), R.S.C., 1970.

Report on the administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1972, pursuant to sections 36 and 49 of the said act, chapter P-36, R.S.C., 1970.

AGRICULTURE

APPEARANCE OF CANADIAN FEDERATION OF AGRICULTURE BEFORE COMMITTEE—REPORT TABLED

Hon. Hazen Argue tabled the following report:

The Standing Senate Committee on Agriculture, in accordance with an Order of the Senate of 22nd February, 1973, on 15th March, 1973, heard Mr. Charles Munro, President, Mr. Roland Pigeon, First Vice-President, Mr. Edward A. Boden, Second Vice-President, Mr. David Kirk, Executive Secretary, and other members of the Executive Committee of the Canadian Federation of Agriculture.

The witnesses brought to the attention of the Committee the Annual Presentation to the Prime Minister and Members of Cabinet of the Canadian Federation of Agriculture and answered questions arising thereon.

Both the representatives of the Canadian Federation of Agriculture and the Committee agreed that the meeting had been useful and that future appearances of the Federation before the Committee would prove beneficial.

Respectfully submitted.

Hazen Argue,
Chairman.

PRIVILEGE

Hon. Eugene A. Forsey: Honourable senators, before the Orders of the Day are called I should like to rise on a

question of privilege. I feel that last night I was somewhat discourteous to Her Honour the Speaker and to the house, and I should like to offer my apologies for the lack of courtesy which I showed both to the Speaker and to the house.

WAR VETERANS ALLOWANCE ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Daniel A. Lang moved the second reading of Bill C-148, to amend the War Veterans Allowance Act.

The Hon. the Speaker: It is moved by the Honourable Senator Lang—

Hon. Mr. Flynn: With leave.

The Hon. the Speaker: Is leave granted?

Hon. Mr. Flynn: Agreed.

The Hon. the Speaker: It is moved by the Honourable Senator Lang, seconded by the Honourable Senator Giguère, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: I hope the sponsor has a few words to say first. He does not have to pay us the honour of being here for nothing, I hope.

• (1430)

Hon. Mr. Lang: Honourable senators, I am very pleased to introduce and support this bill on second reading. It also pleases me to see some substantive legislation flowing into this chamber from the other place. I am sure we understand why we have received this bill. It passed through the House of Commons with unanimous acclaim. I think honourable senators will understand from what I have to say the reason for that general endorsement.

The purpose of this bill is to amend the War Veterans Allowance Act and the Civilian War Pensions and Allowances Act. The latter act is amended through incorporation therein by reference of the schedules to the former act. Those schedules will be amended by this bill.

As honourable senators are aware, the War Veterans Allowance Act has been on our statute books since 1930. This legislation includes provision for paying of allowances to persons at age 60 on the assumption that originally in World War I persons who had been combatants in that war were pre-aged or, in common parlance, suffered from a "burnt-out" condition. In other words, they had not received physical wounds so much as psychological wounds, which were very much as real and as debilitating. Since 1930, the year of its introduction, this act has been expanded to cover not only World War II veterans, but South African War veterans, North West Field Force veterans, World War II veterans and, finally, Korean War veterans. As the act now stands, these allowances are payable to males at age 60 and to females at age 55, to the veteran himself or herself, or his widow or her widower, on the basis that they are not employable or basically capable of maintaining themselves without this support. Allowances are also payable to orphans of these veterans.

Under the other act dealt with in this bill, through incorporation by reference, namely, the Civilian War Pensions and Allowances Act, which became law in 1962, similar benefits were extended to civilians engaged in basically combatant activities during years in which Canada was engaged. These persons, although not formally in the military service, were very actively involved in the hostilities and suffered, indeed, often as much as and sometimes more than our military itself. Included under this act were: Canadian merchant seamen of both world wars; non-Canadians who served in our Merchant Service during those two wars; the Canadian Voluntary Aid Detachment in World War I; members of the Corps of (Civilian) Canadian Fire Fighters for service in the United Kingdom who served in the United Kingdom during World War II, and members of the Newfoundland Overseas Forestry Unit who served in the United Kingdom during World War II. Basically, therefore, these two groups, both ex-military and ex-civilian, are provided under the present legislation with the basic necessities when they are unable to provide them for themselves.

Honourable senators, without going into detail as to the amount of these allowances and the manner in which they are calculated, I should explain that they are circumscribed by certain tests and criteria, which vary considerably depending on the circumstances of each individual. These delimitations include a means test both as to income and capital owned by either the veteran or his or her spouse. In addition, the allowance is conditioned upon residency in Canada by the veteran, and the amount is dependent upon the age of and the number of dependants.

Since 1930 and 1962, respectively, these acts have been amended from time to time, basically to liberalize the restrictions placed on the payment of the allowances and to recognize such factors as inflation, increases in the cost of living index, and generally to bring the acts more into accord with current humanitarian concepts, which of course have been considerably broadened since the early 1930s.

As an example, I draw the attention of honourable senators to the fact that during the past two years the War Veterans Allowance Act has been substantially amended on such matters as restriction on the amount of casual earnings that can be earned by a recipient, and with respect to increases in the OAS and GIS. Those increases have been excluded as deductions in the computation of the allowance. Rates and ceilings have been permitted to automatically escalate to accord with increases in the consumer price index. The former provision that brought into the income the excess capital value over $10,000 of a house owned by a veteran has been abolished, and, as I have said, the casual earnings exemption has been increased, along with basic rates and ceilings.

Honourable senators will see, therefore, that the act has been the subject of concern during the recent period. The bill now before us further recognizes the trends of the last two years and further increases ceilings and rates to bring them more into line with our current highly inflationary economy.

Basically it does three things: firstly, it raises the amount of the basic allowance for a single veteran from $131 a month to $154.14. I am unable to explain the reason for the 14 cents. For a married veteran the allowance is raised from $217.61 to $257.21.

Hon. Mr. Flynn: Can you explain any better the 21 cents?

Hon. Mr. Lang: I am at a disadvantage with regard to both figures. I shall mention some of these problems in a few moments. Rates for orphans of veterans have also been correspondingly increased. These increases take into consideration increases in the cost of living and in the amount of old age security pensions that non-veterans in Canada receive today.

Secondly, the bill raises the permissible limit on income that can be earned by recipients. For a single man the amount is raised from $171 to $191.14, and, for a married person, from $287.61 to $327.21.

• (1440)

Thirdly, the personal property limitation to qualify heretofore existing, namely, the amount of $1,250 for a single veteran and $2,500 for a married veteran, has been removed. I think that is an important provision. Hereafter, if this bill becomes law, the means test will be modified to the extent that the capital holdings of these persons will not be taken into account in the computation. However, the income therefrom, if such capital holdings do in fact produce income, will, of course, be taken into account.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator permit a question at this time? You referred to the property holdings as personal property holdings. I take it you mean holdings personal to the individual, including both real and personal property?

Hon. Mr. Lang: Personal property holdings as opposed to real estate holdings for personal use.

Hon. Mr. Connolly (Ottawa West): Real estate is taken into account in connection with the means test?

Hon. Mr. Lang: No, it is not. Excess real estate holdings for personal use were removed two years ago. The personal dwelling has been exempted from the test.

Honourable senators I think will recognize from what I have said that these acts have evolved and have been patched and added to over the years using tests, median statistics and rules until today, in my humble opinion, the law governing the calculation of these allowances has become unduly complicated.

Notwithstanding, I think we can all welcome the provisions set forth in this bill. In the other place it did receive some criticism, first of all, as to the complex nature of the tests used to make the calculation and, secondly, on the basis that these increases were inadequate. Certainly, as to the complexity of the calculation, I subscribe. As to the amount of the increase, I find it difficult to divorce my emotional concern with respect to this problem area from what rational and objective evaluation of the need I possess. Certainly, I think on occasions like this we are once again reminded that these allowances are, in fact, our country's deep debt to those persons who gave without any question in the service of their country in a time of emergency.

We hear a great deal these days about the rights of individuals. I like to remind honourable senators and myself that these people never thought of their rights; they thought only of their duty and their responsibility, and they responded accordingly. The country's debt to these people can only be most inadequately recognized, whatever may be the money's worth of these allowances.

So, may I express the hope that some day the government may completely overhaul this legislation, for the sake of simplicity, adequacy, and generosity. I am sure that is the objective of the Minister and the officials of the Department of Veterans Affairs.

We should also remind ourselves that the group served by this legislation is a rapidly diminishing one. The average age today of World War I veterans is, I believe, 77 years, and for World War II veterans, 55 years.

I should like, if I may, in conclusion, honourable senators, just to mention a rather pleasant matter of personal interest to me. This is not strictly germane to this legislation, but approximating that description.

I have with great enthusiasm over the past few months, as a trustee of Sunnybrook Hospital, watched the excavation of the foundation for a new building immediately adjoining the old hospital. This new building is to house the chronic and domiciliary veterans of all wars admitted to Sunnybrook Hospital. It will cost something in the neighbourhood of $10 million and is being funded by the Department of Veteran Affairs, although the hospital, as honourable senators are aware, is owned and operated by the University of Toronto. This new building, when completed, will provide beds for 400 chronic and domiciliary veterans, but more than being a hospital it will provide a congenial atmosphere and space for lounges, recreational activities, outdoor walks and, generally, one of pleasant relaxation. This building will be completed before the end of next year. It will house, in a park-like atmosphere, many of our veterans, some of whom will be there until the end of their days.

We in Canada can be proud of the treatment accorded by our governments over the years to both our veterans and our non-veteran combatants. Honourable senators, I suggest that this bill is very much in accord with the sense of gratitude and generosity which has marked previous legislation in this area. I am pleased to commend it to you and, if it does receive your favourable consideration, I would then move that it be referred to the Standing Senate Committee on Health, Welfare and Science, where the details and the intricacies involved in computing the allowances can be examined into by the Leader of the Opposition.

Hon. Mr. Phillips: Honourable senators, perhaps my question is supplementary to that of Senator Connolly's.

Honourable senators, I see that Senator Martin has just entered the chamber and I am sure you will want me to delay my question and extend a very hearty welcome to him on his return here after his illness.

Hon. Senators: Hear, hear.

Hon. Mr. Phillips: Senator Martin, we are indeed very happy to see you back and looking so well. In fact, perhaps your illness did you good in that you appear much healthier now than before you entered the hospital. I recall that not long ago the Honourable Senator Martin welcomed me back after an illness. I appreciated his welcome back very much. While I cannot say I am happy to return the compliment, which would perhaps convey

that I was happy Senator Martin had been ill, I am pleased to be able at this moment to reciprocate his courtesy.

• (1450)

I always enjoy getting in a dig to needle Senator Martin, and I would point out to him what is perhaps rather shocking to both of us, that during our absences the Senate got along without us. That is not very flattering to either of us. However, I repeat, you are very welcome on your return. I should be happy to delay putting my question to Senator Lang and yield to Senator Martin if he would care to express his happiness at being back.

Hon. Jacques Flynn: Before Senator Martin does that, honourable senators, may I say how pleased I was to look across the chamber and suddenly see that the Leader of the Government was back. I spoke to him a few days ago. My advice to him then was, "Why don't you stay away? Go for a holiday until after Easter. We'll do our best not to cause any trouble for the government." That was a sincere promise, in order to induce him to take all the time necessary to recuperate fully. However, as Senator Phillips has said, the Leader of the Government looks so well that perhaps my advice was superfluous.

I take this opportunity to join with Senator Phillips, and all other senators, in welcoming Senator Martin back. I won't advise him not to take things too seriously at the beginning. To Senator Martin everything is serious. I will suggest, however, for his own sake, that he not move into high gear too quickly. He can continue his rest and stay away, leaving things in the capable hands of Senators Langlois and Molgat. We do not expect too much legislation from the other place, and what does come over will be comparatively uncontentious and easy to dispose of. Senator Martin can take it for granted that we will not allow anything to spoil a good rest down South, or anywhere else he may choose to go. I am very happy to see him looking as well as he does, and I wish him a speedy and complete recovery. However, I don't think this is the right place for him to be convalescing.

Hon. Leopold Langlois: Honorable senators, I join with Senators Phillips and Flynn in welcoming our leader back to this house. We are happy to see him looking so well. I hope that he will take the advice Senator Flynn has just offered and take his time in order to recover fully, and that he will have a good rest before coming back to us here for good. I do not say that because we have not missed him during his absence, for we missed him very much, but because we would like to see him back with us in the best of health. We hope he will take this advice and postpone his complete return to this place.

Hon. Paul Martin: Honourable senators, first of all I apologize to Senator Lang for intervening in the debate on the bill. I came into the chamber just as Senator Lang had concluded.

I thank Senator Phillips very much for his very warm welcome. Senator Flynn had already expressed his interest in my welfare, and I very much appreciate what he said today.

I am here because the doctor told me I could come for a few hours today. We will just have to see about the future. I thank all senators on all sides for their words of cheer. It is at a time like this that one realizes how important friendships in this chamber are.

I am grateful to Senators Langlois and Molgat, and indeed to all honourable senators, for the work they have done, work which I have followed through *Hansard* and otherwise, during the past five weeks. I greatly appreciate the welcome given me today.

Hon. Mr. Phillips: Honourable senators, I was rising to ask Senator Lang, the sponsor of Bill C-148, if he could elaborate on the question asked him by Senator Connolly (Ottawa West) concerning personal property. I find there is a good deal of confusion over this matter, particularly in view of the fact that the minister and officials of the department keep saying that only income must be reported. To a great many people this poses the question of how much money they may have in a bank account, and so on. This is the point on which I should like to have clarification from the sponsor, if I could.

Hon. Mr. Lang: My answer is very simply that I cannot say. I would ask the honourable senator to raise this question in committee.

Hon. Mr. Phillips: It is rather unusual to get such an honest and frank reply from a Liberal, and I thank him for being honest. In view of his honest reply, perhaps he will give me an opportunity to go into this matter further. I therefore move the adjournment of the debate.

On motion of Senator Phillips, debate adjourned.

APPROPRIATION BILL NO. 2, 1973

SECOND READING

Hon. Leopold Langlois moved, with leave of the Senate, the second reading of Bill C-166, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.

He said: Honourable senators, you will recall that royal assent has already been given to three supply bills covering estimates for the current fiscal year. The first provided interim supply for the months of April, May and June. The second, assented to on June 30, 1972, provided full supply for the balance of the main estimates for 1972-73. The third provided full supply for the whole of supplementary estimates (A), and was assented to on February 23, 1973.

The bill introduced today provides for full supplementary estimates (B) for 1972-73 except for Finance vote 16b and Labour vote 25b, which have been withdrawn, as honourable senators will recall. These estimates consist of $325,022,433 in budgetary expenditures—$203,083,211 in budgetary items to be voted and $121,939,222 in statutory items—and $109,794,020 in non-budgetary items.

• (1500)

Supplementary estimates (B) were referred to the Standing Senate Committee on National Finance on March 13 and were discussed in committee with Treasury Board officials on March 22.

The form of the present bill is the same as that passed in previous years. No additional borrowing authority is requested since the first supply bill for the current fiscal

year provided borrowing authority in the amount of $3 billion.

These estimates, as is usual in final supplementary estimates, contain certain changes which are largely of a housekeeping character. Examples of this are the annual reckoning of the operating loss of the Stabilization Board, the loss on the Barley Pool account, certain adjustments to meet higher costs that have been encountered in the fiscal year preceding, some items for the deletion of debts, and some items for the recoupment of temporary allotments for interim financing from the Treasury Board Contingency Fund.

There is also in this set of supplementary estimates a number of revisions—which are printed for information purposes—to the forecasts that were made of various statutory expenditures in the main estimates for 1972-73.

In addition, there are certain new government measures such as the $8 million grant to establish Heritage Canada.

This final set of estimates for the current fiscal year brings the total estimates for budgetary expenditures to $16.548 billion. With regard to the non-budgetary side of the picture, the total for Loans, Investments and Advances tabled is $1.669 billion.

Honourable senators, these estimates also contain some 31 $1 items based on 29 votes—two of these votes having each been included in two schedules. By the way, I should like to add at this stage that full information concerning these $1 items was provided to the National Finance Committee in written statements concerning them. The total of such items has of course, been reduced by the withdrawal of one $1 vote, Finance vote 16b. Since these items have already been discussed in committee and reported on, I do not at this time intend to make any further comments on them.

However, before I resume my seat, I would like to refer this honourable chamber to the interesting discussions which took place on the motion of Senator Everett for the adoption of the report of the National Finance Committee on supplementary estimates (B) which form the subject matter of the bill I am introducing now.

I refer first to the line of questioning which was started on March 22 in this house by Senator O'Leary, and which is reported at page 379 of Senate *Hansard*. Senator O'Leary posed the following question to Senator Everett:

> I would like to ask one question. Can he tell me if it is true that Canada spends a higher percentage of gross national product than any other country in the world with the exception of Sweden?

This question was followed by others from Senator Deschatelets, Senator Buckwold and Senator Carter. To add to the information which has been provided already in answers to those questions, I would like to cite the following table of national accounts of selected OECD countries for the year 1968, which compares Canada's level of government expenditures with those of a number of other countries. This table is based on recently published OECD information:

NATIONAL ACCOUNTS OF SELECTED OECD COUNTRIES
1968

	Total Current Government Expenditures	GNP at Market Prices	Expenditures as percentage of GNP
Canada (millions of Cdn. $)	20,358	68,477	29.7
United States (millions of U.S. $)	253,207	876,029	28.9
Japan (billions of Yen)	7,369	51,242	14.4
France (billions of Francs)	215.67	624.29	34.5
Germany (billions of DM)	172.20	529.00	32.6
Sweden (millions of Kronor)	49,476	132,195	37.4
United Kingdom (millions of £)	14,290	42,341	33.7

Source:
OECD, National Accounts of OECD Countries, 1950-1968

I draw the attention of honourable senators to the marginal difference between Canada's percentage of GNP for the year 1968, namely, 29.7 per cent, and the figure of 29 per cent supplied by Statistics Canada. This marginal difference is due to the manipulation of figures to achieve comparability between the data from the various countries used in the OECD report from which I have just quoted.

• (1510)

Hon. Mr. Flynn: You are not using the word "manipulation" in a pejorative sense.

Hon. Mr. Langlois: No. The honourable senator understands that I do not mean that.

I have at hand another document which I think will be of interest to honourable senators. It is an article entitled: "The Tax Ratio in OECD Countries (average 1968-1970)," taken from the *OECD Observer*, No. 61, December, 1972. The sub-title of the article is: "Total taxation to GNP at market prices," and before I quote the table which follows—

Hon. Mr. Asselin: Why not dispense with reading that document. Just table it as an appendix to your speech.

Hon. Mr. Langlois: If I have your permission, honourable senators, I would be pleased to table it instead of taking up your time by reading it.

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

Hon. Senators: Agreed.

(*For text of document see appendix, p. 423.*)

Hon. Mr. Langlois: I would just draw the attention of the house to the fact that, excluding social security, Canada is in sixth place with a figure of 27.8 per cent, but, including social security, is in 12th place with a figure of 30.2 per cent. In the first category, which excludes social security, Denmark is highest with 35.6 per cent, while in the catego-

ry which includes social security Sweden is highest with 43 per cent.

Senator Everett's interesting remarks were followed by a question by Senator Carter, which is reported at page 379 of the *Debates of the Senate* of March 22 as follows:

> Will the honourable senator permit one more question, to clarify the question raised by Senator Buckwold? Does the maximum figure for this year, $17 billion or $18 billion, include transfers to the provinces? Is the money made available to the provinces to be spent by them included in that figure, and, if so, what would be the net figure for the federal government?

The answer may be found in the publication "How Your Tax Dollar is Spent, 1972-73," copies of which I understand have been distributed to all members of this house.

The table I am about to refer to shows the total estimates and transfers to other levels of government for 1972-73. It shows that the main estimates for 1972-73, including all transfers to provinces and municipalities, amounted to $15,749.3 million. It was estimated that for the fiscal year 1972-73, total federal transfer payments to provinces and municipalities would amount to $4,760.7 million, a figure which does not include, however, income tax offsets associated with the post-secondary education program.

The table gives the following figures: First, unconditional payments, mainly statutory subsidized equalization, $1,088.6 million. Secondly, health and welfare—including hospital insurance, $1,333.8 million; medicare, $658.4 million; Canada Assistance Plan, $790.1 million; and other transfer payments of $39.3 million—$2,821.6 million. And thirdly, other payments—including post-secondary education, $542.5 million; grants to municipalities in lieu of taxes, $61.5 million; economic development, $157.5 million; and bilingual development, $89.0 million—$850.5 million. The grand total of those three, which I gave previously, is $4,760.7 million.

I have also obtained some information which is complementary to what I have just given you. I have here a table entitled, "Government Expenditures (All Levels) as a Per Cent of GNP—1961 and 1971," which is made up on a national accounts basis.

Hon. Mr. Benidickson: Is this also from OECD?

Hon. Mr. Langlois: No, the source of this is Statistics Canada. The table shows that the gross national product for 1961 was $39,646 million compared to $93,094 million for 1971. Total government expenditures, all levels, 1961, $12,326 million; 1971, $35,010 million. Expressed as a percentage of GNP those total government expenditures would be 31.1 per cent for 1961 and 37.6 per cent for 1971.

Considering the total expenditures for the federal government alone, in 1961 the total current expenditures were $6,885 million, plus gross capital formation—and by that I mean capital expenditures—$304 million, less transfers to other levels, $1,128 million, for a net total of federal expenditures of $6,061 million.

In 1971 the total current expenditures for the federal government were $16,953 million, plus gross capital formation—and again I refer to capital expenditures—$531 million, less transfers to other levels, $4,348 million, for a net total of federal expenditures of $13,136 million. So the net federal expenditures again, just to compare them, are $6,061 million for 1961 and $13,136 million for 1971, and if you express those as percentages of the gross national product you have 15.3 per cent for 1961 and 14.1 per cent for 1971. This shows a reduction in the percentage of 1.2 per cent.

Looking now at the expenditures of provincial governments, the total current expenditures for 1961 were $3,399 million, plus gross capital formation—the capital expenditures, as I refer to them—$546 million, less transfers to other levels of $1,520 million, for a net total of provincial expenditures of $2,425 million. In 1971 the total current expenditures for provincial governments were $14,927 million, plus gross capital formation of $1,277 million, less transfers to other levels of $6,014 million, for a net total of provincial expenditures of $10,190 million. So comparing 1961 and 1971, the net provincial expenditures were $2,425 million for 1961 and $10,190 million for 1971, and expressed as percentages of the gross national product these net provincial expenditures represent 6.1 per cent for 1961, and 10.9 per cent for 1971.

• (1520)

Total current expenditures of local governments in 1961 were $2,339 million, while in 1971 they were $7,438 million, plus gross capital formation, or capital expenditures, of $679 million in 1961, and $1,597 million in 1971, less transfers to other levels of government of $34 million in 1961, and $58 million in 1971. So you arrive at a net total of expenditures for local governments in 1961 of $2,984 million, while in 1971 they amounted to $8,977 million. As a percentage of the gross national product these net expenditures for local governments in 1961 were 7.5 per cent, and in 1971 they were 9.6 per cent.

I wish to add that these expenditures that I have given include the Quebec Pension Plan payments under the provincial expenditures, and the Canada Pension Plan payments under federal expenditures. I think this additional information is a valid complement to what was said the other day in the course of the very interesting debate to which I referred earlier.

Now I wish to make a further comment—

Hon. Mr. Lamontagne: Will the honourable senator permit a question?

Hon. Mr. Langlois: Certainly.

Hon. Mr. Lamontagne: When the honourable senator speaks about transfer payments from the federal government to provincial governments I wonder if the figures include also the tax abatements which have been made over the years as a result of federal-provincial fiscal arrangements, and also the tax abatements which followed from the application of the opting-out formula so far as Quebec is concerned for certain social security programs.

Hon. Mr. Langlois: As I stated, these unconditional payments that I have mentioned cover all statutory subsidized equalizations.

Hon. Mr. Lamontagne: But not tax reductions?

Hon. Mr. Langlois: No.

Honourable senators, I wish to make a last comment on the point raised last evening by the Leader of the Opposition when he objected, together with Senator Phillips and Senator Forsey, to the method of amending legislation by way of $1 items in appropriation bills. I must say that I agree with his criticism, and I also accept the views expressed by Senator Everett when he remarked that this method can be used in exceptional circumstances when some urgency exists. But even if you agree with this reservation as expressed by Senator Everett, I would think that care should be taken to see to it that whenever there is a revision of a statute so amended, there should be a clear indication in the revised statute of any amendments made by this method of using appropriation bills to amend existing legislation. I hope that this course will be followed in the future.

I also make mine the remarks of Senator Everett when he underlined yesterday the work done in this regard by the Standing Senate Committee on National Finance which has been consistent in criticizing or condemning, where necessary, this method of amending existing legislation.

I may add that we, the members of this house, should be very proud indeed of the work done by the Senate Standing Committee on National Finance. I am not prepared to say that its work is perfect and could not be improved upon, but I do say that we are heading in the right direction. This is demonstrated by the increased interest on the part of honourable senators in any report emanating from that committee. We had a good example of this on Thursday last and again yesterday evening when we heard many senators participating in the consideration of the last report of the committee. I hope that this interest will continue and increase in the future, and contribute to the betterment of the already good work done by our committee.

I close my remarks, honourable senators, by recommending to the Senate the bill of which I have moved second reading.

Hon. Orville H. Phillips: Honourable senators, it is customary to thank the sponsor of a bill for his introduction. I am happy to follow that custom, but my pleasure in doing so will not, I hope, prevent me from making certain comments on its introduction.

It seems to me, honourable senators, that the explanation of Bill C-166 was very brief. The amount of time spent on, say, statistics from OECD far exceeded that spent on the bill itself. Even with the information that we requested Senator Langlois to table, we still received a tremendous mass of figures and percentages, and I am not quite sure whether the honourable senator was trying to prove that Sweden had a higher suicide rate than Canada, or that Canada had a lower VD rate than Sweden. Whatever the point was, Senator Langlois ended up in a political-economic limbo in which the contents of the bill were completely lost.

Honourable senators, in approving supplementary estimates (B) we have, since the opening of Parliament, approved the expenditure of $1,734 million in supplementary estimates. This amount, based on the figure I used last evening of 7,600,000 Canadians who pay income tax, represents a figure of $228 per taxpayer.

• (1530)

Last fall after a certain event took place the government was going to adopt a motto with which we are all familiar regarding railroad crossings—where we still have railroad crossings—they were going to "Stop, look and listen." Honourable senators, they stopped; but unfortunately when they wanted to take a look they did an about-face, and instead of looking forward as one would have expected they looked backward and asked, "What have we forgotten?" And the logical thing was taxes. So they went back for more taxes.

Then came the problem of listening—who could hold the ears of the Trudeau government? That was very easily solved. Mr. Lewis got the ear of the then Prime Minister, and we have now the unusual combination of the Lewis-Trudeau government, two "Prime Ministers" each claiming equal responsibility.

It was even more unfortunate when Mr. Knowles wanted to become co-Minister of Finance, and moved in with an entirely different type of person, the unflappable Mr. Turner. The former Minister of Finance was popularly known as Gentle Ben because of the way he pushed through the tax reform bill. But, honourable senators, perhaps he was a little more gentle than Mr. Turner and Mr. Knowles, because within the short space of three months they have exacted from the Canadian taxpayer an average of $228 per person with these supplementary estimates, and that is $75 a month if you wish to bring it down to a more practical level.

I happen to be one of those people who enjoy the comedian Flip Wilson. As you know, he has a habit of appearing dressed as a lady whose name, I believe, is Geraldine. His expression is, "The devil made me do it." I suggest to honourable senators that perhaps the only excuse Mr. Turner can use is that he can look at Messrs. Trudeau, Lewis and Knowles and say, "The devil made me do it."

When the sponsor of the bill was in this country he referred to the supposed sale of the Polymer Corporation to the CDC. There are still a great many unanswered questions in this regard. Perhaps the first question that we should consider when this bill goes to committee is: What value did the taxpayer receive for his or her investment in the Polymer Corporation? Each and every taxpayer had an investment in the Polymer Corporation, and no one is quite sure of the value of the sale. It was so many shares of CDC and a possible transfer later on of $10 million to the government. The announcement did not say "to the public treasury"; it said "to the government" for some reason. I think this is a very unusual way to sell a piece of property.

Honourable senators, would any of you sell your home under those conditions? Would you sell your home to an individual for so many shares in the home with a possible cash payment at some future date? I do not think any of you would make that mistake.

Then again—and I am not going to labour this item because I mentioned it last evening—there is the $1 item in Schedule E. The explanation given to us was that it removes Polymer Corporation Limited from the Financial Administration Act and the Crown Corporations Act.

Again I emphasize the necessity of the CDC reporting to Parliament.

At the present moment it is not Parliament but the government that is negotiating to sell the publicly-owned interest in Panarctic Oils to the CDC. Without reporting to Parliament, honourable senators, how is the average Canadian taxpayer going to obtain information about his or her investment in Panarctic Oils?

In our committee meeting a question was asked concerning the fate of the employees of Polymer, and we were given the assurance that the status of the employees had not changed. Their seniority and their pension rights continued. I understand that within the past year and a half a number of employees of the Polymer Corporation have been dismissed, many of them on very short notice. When this bill goes to committee, honourable senators, I should like a further report with regard to the status of the employees.

One matter that I think has been ignored in the discussion of both supplementary estimates and in the bill itself concerns the Secretary of State Department. We are all familiar with the great outcry from students in various universities who were suddenly faced last fall with an increase in tuition fees. We find that the Secretary of State is recovering from the provinces $62 million which was intended for post-graduate education. This, honourable senators, in my opinion, was a very unfortunate move, in that the university enrolment has dropped. It may have dropped for several reasons. One may be that there are a great many university graduates unemployed, but probably more important is the fact that the skilled tradesman can make more money than a university graduate. Consequently, many high school graduates enter the skilled trades. Nevertheless, we will still need our universities and graduates in all faculties, even that of economics. It is unfortunate to have projected over the last 10 years a sudden increase in enrolment and built the facilities for the universities, then all of a sudden tax the student enrolled this year with an extra tuition fee. Again it is my view, honourable senators, that the federal government could well have left the $62 million with the provinces to be given to the universities.

• (1540)

During the discussion of the last appropriation bill both Senator Flynn and Senator Grosart spent considerable time on the question of the legality of voting funds beyond the current fiscal year. This concerned those items in the bill which were stated to be for the present and subsequent years. It was my understanding that a ruling in writing would be provided. Perhaps this has been made available to Senator Flynn, since it was he who requested it. I do not believe he has received it; if I am wrong, he can correct me.

In my opinion, however, it is time that this matter was decided once and for all by some form of legal ruling. I would not object to its being referred to the Supreme Court, if necessary, but I emphasize that it is imperative to have a ruling in view of the fact that the Minister of Finance, supported I believe by the Minister of Justice, stated that a $1 item in supplementary estimates is the final legislation over all previous acts which have been used as a guide by Parliament, including the Financial Administration Act.

[Hon. Mr. Phillips.]

Last evening Senator Everett attempted to explain away my concern over the increased interest on the national debt. He pointed out that a certain amount of the increase is due to the assumption of the interest on the superannuation fund for the Armed Forces, the RCMP and the Public Service. This morning I received the annual report of the Public Service Superannuation Fund, and it is interesting to note that this fund has a surplus of $4 billion. How does anyone attempt to explain away $200 million as interest owing on a deficit when the fund has $4 billion in it? It just does not make sense. Surely there must be a more logical explanation than that.

In fairness to my honourable friend, perhaps I misunderstood him. I am not that much of an accountant, neither am I used to dealing in figures of this magnitude, but it is still confusing to find the government claiming that they are paying interest of $200 million on the deficit of a fund which has a surplus of $4 billion. It seems to me that this is one for Ripley's *Believe it or not.*

Honourable senators, I would like to refer you to page 10 of the bill, where votes are set out in the schedule under the heading of the Department of Industry, Trade and Commerce. It is rather intriguing, in this day of women's liberation and so on, that all these items specify "he" or "his"; there is no "she" or "her" mentioned anywhere on this page. I have appreciated the contribution of women members of this chamber, and surely we must recognize that women have a right also in the field of business. Various members of the other place profess to be guardians of women's rights, and I am rather surprised that these items were presented in this form. The same pattern is apparent throughout the bill; it is a strictly "he" or "his" and women seem to be forgotten. I wonder what the Minister of Finance would think if all women reciprocated by forgetting him at the end of next month, which is income tax time.

• (1550)

Honourable senators, if I understood the sponsor of the bill correctly, this bill will go into committee, and perhaps there we can discuss further items contained in it. Last evening I consumed some considerable time, and I will have some mercy on honourable senators today by being brief in my remarks, in anticipation of the committee.

Hon. Jacques Flynn: Honourable senators, I am sorry to disappoint you, but I have only a few words to say. Last night I contested the propriety of amending indirectly the Corporations Act, as is done by vote 11b in the schedule relating to Industry, Trade and Commerce. As I mentioned, this item seems to give a special status to people who are appointed to a board of directors on the recommendation of the government, or by the government owning shares in a certain corporation.

Senator Phillips mentioned my objection to the previous appropriation bill—if my memory serves me correctly, I think it was Bill C-141—where I questioned the validity of the wording which said that a certain sum of money could be spent during the current fiscal year, but, where the schedule provided, that money could be spent over a period of three years.

With regard to the $1 items, I would direct honourable senators to page 10, to which Senator Phillips referred, which deals with the problem of the Treasury Board arranging a scheme to:

> —indemnify and save harmless any person who, on the recommendation of the Minister is duly elected by shareholders of a company to be a director thereof, from and against,
>
> (a) all costs, charges and expenses whatsoever that he sustains or incurs in or about any actions, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office; and
>
> (b) all other costs, charges and expenses that he sustains or incurs in or about or in relation to the affairs thereof,
>
> except—

As was mentioned by Senator Everett.

> —such costs, charges or expenses as are occasioned by his own willful neglect or default ..... $1.

The idea, of course, is to legislate, but the substantive provision in this bill is clause 2, which says:

> From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole three hundred and twelve million, eight hundred and seventy-seven thousand, two hundred thirty-one dollars towards defraying the several charges and expenses of the public service from the 1st day of April, 1972 to the 31st day of March, 1973 not otherwise provided for, and being the total of the amounts of the items set forth in the Supplementary Estimates (B) for the fiscal year ending the 31st day of March, 1973 . . . as contained in the Schedule to this Act
> .....
> $312,877,231.00

If honourable senators take away the $1 that I mentioned, they will see that the figure would be $312,877,230.00 instead of $312,877,321.00.

If honourable senators look at the subsequent provisions, they will see that these amounts can be spent only during the terminating fiscal year provided they can be paid before the end of April and charged to the fiscal year which will end next Saturday, March 31.

This legislation, relating to directors appointed by or on behalf of the government, may suggest the incurring by the government of some expenses. If a director makes a mistake which renders him liable to condemnation in the form of damages, let us say, of $50,000, $100,000, or $200,000, under this legislation the minister will, if authorized, refund to him whatever amount he is bound to pay under the circumstances.

The amount provided under this bill as payment for these damages is $1. Is it possible that by this bill we authorize the minister, after April 30, to pay any amount as a consequence of negligence or default? It may be the result of poor judgment on the part of a director appointed on behalf of the Crown, or by the Crown, or by the minister. Are we authorizing payment of several hundred thousand dollars without any appropriation in future appropriation bills?

It would seem that we are, if my interpretation of the bill is correct, and I cannot believe that this would be legal. It proves once again that this kind of legislation—and it is legislation and not appropriation—should not be contained in an appropriation bill.

If the government wishes to be sure that it is acting legally, then in future Parliament should be asked, when approving appropriation bills, to approve payment of a certain sum to indemnify a director appointed by the Crown to any company owned by the Crown or in which the Crown has some interest. But in this case, if such is the case, why try to legislate at this time in an appropriation bill? Each case should be dealt with in its own time according to the particular circumstances prevailing in each case. We are simply being misled by this kind of legislation.

Yesterday I pointed to the fact that we should not use an appropriation bill for purposes of legislation. Today I point out the fact that proceeding in this manner is misleading from the strict standpoint of expending treasury funds, and I cannot see how, by simply adopting this bill, we can authorize a minister to indemnify a director for damages arising from negligence in the execution of his duties.

• (1600)

Hon. Leopold Langlois: Honourable senators, I merely wish to offer one comment on the remarks—

The Hon. the Speaker: If the Honourable Senator Langlois speaks now his speech will have the effect of closing the debate.

Hon. Mr. Langlois: Honourable senators, I merely wish to offer one comment on the remarks made by Senator Phillips. If I understood Senator Phillips correctly, he suggested to the house that the appropriation bill before us amends the Financial Administration Act by deleting the Polymer Corporation from the schedule. I suggest that that is not quite correct. The Polymer Corporation ceased to be a crown corporation as soon as it was sold to CDC, and, therefore, automatically ceased to come under the Financial Administration Act.

As Senator Everett suggested last night, this $1 item in the bill amending the schedule of the Financial Administration Act is merely a housekeeping item. Polymer Corporation has, in fact, ceased to be a crown corporation and, therefore, does not come under the Financial Administration Act. This item is merely to complete the job, so to speak, by removing its name from the schedule of the act. In itself, it is not a very important amendment, as you can see, because the mere fact that the Polymer Corporation has been sold to CDC means that it no longer comes under the act.

Hon. Mr. Phillips: I thank the Honourable Senator Langlois for that explanation. However, I should like to direct a further question to him, if I may. I am sure the honourable senator realizes that I am not learned in the law. I believe that is the expression used around here. If it is automatic, why do we need the $1 item? That is the point which disturbs me.

Hon. Mr. Langlois: It is merely a housekeeping item.

Motion agreed to and bill read second time.

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

Hon. Mr. Langlois: Honourable senators, I move, with leave of the Senate, that the bill be placed on the Orders of the Day for third reading at the next sitting.

Hon. Mr. Flynn: The Deputy Leader of the Government is not suggesting that the bill be referred to committee?

Hon. Mr. Langlois: My original motion for second reading was not so worded.

Hon. Mr. Croll: Third reading tomorrow, he said.

Hon. Mr. Flynn: I take it that the questions raised by both Senator Phillips and myself will be answered. I understood from what Senator Carter said that the Department of Justice will eventually send us an opinion on the points we raised.

Hon. Mr. Langlois: Yes.

Motion agreed to.

APPROPRIATION BILL No. 3, 1973

SECOND READING

Hon. Leopold Langlois moved, with leave of the Senate, the second reading of Bill C-167, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

The Hon. the Speaker: It is moved by the Honourable Senator Langlois, seconded by the Honourable Senator Martin, that this bill be now read the second time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: With leave. We are always generous.

Hon. Mr. Bourget: As usual, you follow a good example.

Hon. Mr. Flynn: Whose good example? The only good example in this connection that I can follow is my own.

Hon. Mr. Bourget: You might have the wrong one.

The Hon. the Speaker: Is it agreed that the bill be read the second time now?

Hon. Mr. Langlois: With leave, yes.

Hon. Mr. Flynn: Put the question.

Hon. Mr. Beaubien: The question was put.

The Hon. the Speaker: It is moved by the Honourable Senator Langlois, seconded by the Honourable Senator Martin, that this bill be now read the second time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Leopold Langlois: Honourable senators, the estimates for 1973-74 on which this bill is based were tabled in the Senate and referred to the Senate Standing Committee on National Finance on February 21, 1973.

These estimates have not as yet been discussed in committee. However, before we are called upon to give final approval to the 1973-74 estimates, our National Finance Committee will have ample opportunity to discuss them and to report to the Senate thereon.

The 1973-74 estimates total $19,286,515,765 consisting of budgetary expenditures of $18,393,121,765 and non-budgetary expenditures of $893,394,000. The bill now before us is the first interim supply bill for the 1973-74 fiscal year and will release a general proportion of three-twelfths of the votes in these estimates. There are, however, additional proportions for 18 special items to which I will refer later. The total expenditure proposed by this bill is $2,722,427,083.92.

The proportions requested in this bill are intended to provide for all necessary requirements of the Public Service to June 30, 1973. 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 18 votes which required additional proportions may be grouped as follows:

Votes in which it is customary to pay grants early in the fiscal year:

Energy, Mines and Resources—Vote 30

Finance—Vote 5

National Health and Welfare—Vote 60

Votes for which additional sums are required to finance programs until forecast revenues are received later in the fiscal year:

Finance—Vote 20

Supply and Services—Votes 1 and 5

Votes which provide payments required to cover accounts maintained on a calendar year rather than a fiscal year basis:

Regional Economic Expansion—Votes 35 and 40

Transport—Votes 35 and 45

Urban Affairs—Vote 10

Votes for which additional proportions are required for other specific purposes:

Indian Affairs and Northern Development—Vote 70

Manpower and Immigration—Vote 10

Transport—Votes 55 and L95

Treasury Board—Votes 5 and 10

Veterans Affairs—Vote 50

Clause 5 of this bill not only grants borrowing authority for $3 billion, but also provides for the cancellation of all outstanding and unused borrowing authority from previous appropriation acts for the fiscal year 1972-73. 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 the requirements of the Exchange Fund Account.

If honourable senators wish any further information I shall be glad to provide it.

• (1610)

It might be appropriate at this stage to remind honourable senators how this borrowing authority is in fact used.

As honourable senators will recall, section 36 of the Financial Administration Act requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament." The authority to borrow for the purpose of refunding maturing issues is section 38 of the Financial Administration Act, which provides:

> The Governor in Council may authorize the Minister to borrow such sums of money as are required for the payment of any securities that were issued under the authority of Parliament . . . and are maturing or have been called for redemption.

Section 39 of the act provides for authorization by the Governor in Council of temporary short-term borrowing by the minister in special circumstances.

The authority for the government to raise new money through the issue of securities is usually obtained annually. About the beginning of each fiscal year an appropriation bill seeks new authority for the Minister of Finance to raise new money by the issue of securities, and provides for cancellation of unused borrowing authority under previous appropriation acts. Additional borrowing authority is sought, if necessary, later on in the year. The terms and conditions for such borrowing are authorized by the Governor in Council, and section 37 of the Financial Administration Acts provides:

> 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 or agreements relating to the borrowing . . . as the Governor in Council may approve.

New money raised through the issue of securities is used in the financing of the ordinary operations of the government, including non-budgetary cash requirements, such as loans and advances to crown corporations, and to meet the requirements of the Exchange Fund Account.

Honourable senators might be interested in the following list of borrowing authorities sought annually by Parliament in the last few years: 1963-64, $2 billion; 1964-65, $1.75 billion; 1965-66, $1.75 billion; the same for 1966-67 and 1967-68; 1968-69, $2 billion; 1969-70, $2 billion; for the last three years, 1970-71, 1971-72, 1972-73, $3 billion in each year. By the end of the fiscal year 1972-73 authority to borrow $3 billion will have been used to the extent of an estimated $1.8 billion.

In the coming fiscal year, as in other years, the full amount of borrowing authority should not be required. However, it is important for the government to have flexibility in its debt management planning and operations. For example, the government's practice is to have available at all times sufficient unused borrowing authority against which to charge net new borrowing by means of Canada Savings Bonds, which peak at the time of the new campaign but diminish thereafter, and to enable it to finance the unpredictable requirements of the Exchange Fund Account.

It is customary for one of the first appropriation bills of each year to request new borrowing authority. Accordingly, this bill now before us incorporates a request, equal to the amount requested in the last three years, of $3 billion, as I have just mentioned.

The wording of this bill also 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.

With that, honourable senators, I conclude my remarks, adding that I am at your disposal to supply, to the best of my ability, any further information you may wish to obtain.

Hon. Jacques Flynn: Honourable senators, without any restriction at all I congratulate the sponsor of the bill, Senator Langlois. He has given us a full explanation, recognizing thereby that the Senate is very serious in looking at money bills, as closely as it looks at all other bills. In the other place on Monday night they took exactly ten minutes to pass this interim supply bill through first, second and third readings. The President of the Treasury Board did not consider it was any use to give the honourable members of the other place an explanation of the bill.

The only caution he had to give to the other place—which I am quite sure the deputy leader will give us today—was that the bill was in the usual form, and that all rights of members of the other place with respect to any of the items listed in the bill were reserved for further consideration. This, of course, was intimated in the remarks of Senator Langlois when he said that the estimates for the fiscal year to begin April 1 next, and to end on March 31, 1974, have already been referred to the Standing Senate Committee on National Finance, where they can be examined in detail, regardless of whether the amounts are dealt with in whole or only in part in this interim supply bill.

We are, of course, satisfied that the National Finance Committee, under the able chairmanship of Senator Everett, will scrutinize the estimates for the coming fiscal year, and that eventually, when the committee reports, and when we have other appropriation bills, we will have the opportunity to deal with any or all of the items touched upon by the present interim supply bill.

At this stage I merely wish to point out that on a previous occasion I suggested that the title of these bills was not correct. The appropriation bills are titled on the basis of the calendar year instead of the fiscal year. We note that this act may be cited as the Appropriation Act No. 3, 1973, but the two previous bills referred to the fiscal year which is going to end on Saturday next. This is really Appropriation Act. No. 1, 1973-74. That would be less confusing. I have previously mentioned that logically, and in my view, this is not the way this bill should be titled. We should really have the numbers by fiscal year, since we have a fiscal year running from April 1 to March 31 next. Again we have this Appropriation Act No. 3, 1973, which is really the first appropriation bill for the fiscal year which will begin next Sunday. In any event, that is not of too great importance; but I do not see why logic should not find its place in Parliament as well as anywhere else.

• (1620)

Having said this, I will resume my seat and will agree that we have done a better job on this bill than was done by the other place.

Hon. Mr. Langlois: Honourable senators—

The Hon. the Speaker: Honourable senators, if the Honourable Senator Langlois speaks now, his speech will have the effect of closing this debate.

Hon. Mr. Langlois: I am grateful to Senator Flynn for his interesting suggestion and I will do my best to see that it receives consideration in higher places.

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 Langlois, bill placed on the Orders of the Day for third reading at the next sitting.

VIETNAM

VISIT OF CANADIAN PARLIAMENTARY MISSION— DEBATE ADJOURNED

Hon. Donald Cameron rose pursuant to notice:

> That he will call the attention of the Senate to the recent Canadian Parliamentary Mission to Vietnam.

He said: Honourable senators, I find myself in a bit of a dilemma. I have a rather lengthy speech, the first part of which deals with the legal background of the Paris Agreement and the protocols. What I am going to suggest is that, with your permission, I put on the record this part of the speech, about six or seven pages, this afternoon, and continue tomorrow. I hope that meets with your approval.

Hon. Senators: Agreed.

Hon. Mr. Cameron: Honourable senators, in presenting a report on the visit of the Canadian Parliamentary Delegation to Vietnam, in the week of March 13 to 19, 1973, I must first of all express my deep personal appreciation to the Leader of the Government, Senator Martin, and to the Honourable Mitchell Sharp, for selecting me to represent the Senate on this very important occasion. I can assure you it was a privilege which I value very highly and I hope that, as a result of a pretty concentrated study in that short period of time, I may be able to bring to my colleagues in the Senate something of the atmosphere, the conditions, the achievements, and the hopes resulting from Canada's participation in the International Commission of Control and Supervision in Vietnam. I shall also hope to present you with my own assessment of the likely events in Vietnam in the immediate future.

Canada has had a long tradition of participation in peacekeeping missions throughout the world. We have only to think of our participation in the Suez Canal zone, in the Sinai in 1956-57, in Cyprus, in Kashmir, in the Congo, and now in Vietnam. During the course of these missions, Canada has gained a reputation for fairness and objectivity among the nations of the world and, as a result, has acquired a high degree of international respect.

As a result of the contribution Canada has been able to make to peacekeeping over the years, the Canadian people have usually supported their governments when decisions have been made to assist in the search for, and

the maintenance of, peace in the trouble spots of the world. Thus, it was not surprising that Canada received a unanimous invitation from the four contending parties in Vietnam to be a member of the International Commission of Control and Supervision.

Canada accepted this responsibility, recognizing full well that her 19 years of experience in the old International Commission for Supervision and Control, which went into effect as a result of the Geneva Agreement of 1954 and which was just terminated within the last few weeks, was far from satisfactory. I think there is no disagreement among Canadians that Canada will not permit herself to become inveigled into a repetition of that 19 years of frustration and inaction.

The Paris Agreement on ending the war and restoring peace in Vietnam was signed on January 27, 1973—it was January 28, actually—by the representatives of the contending powers; that is, by the United States, the Republic of Vietnam (South Vietnam), The Democratic Republic of Vietnam (North Vietnam), and the Provisional Revolutionary Government of South Vietnam (the Viet Cong). The Agreement provided the following conditions.

Chapter I, Article 1:

> The United States and all other countries shall respect the independence, sovereignty, unity and territorial integrity of Vietnam as recognized by the 1954 Geneva Agreements on Vietnam.

Chapter II, Article 2:

> A cease-fire shall be observed throughout South Vietnam as of 2400 hours G.M.T. on January 27, 1973.

I am going to state as though in parenthesis the conditions of this agreement that have been carried out. This one, Article 2, has been only partially carried out so far.

> At the same hour, the United States will stop all its military activities against the territory of the Democratic Republic of Vietnam by ground, air and naval forces wherever they may be based and end the mining of the territorial waters, ports, harbours and waterways of the Democratic Republic of Vietnam. The United States will remove, permanently de-activate, or destroy all the mines in the territorial waters, ports, harbours and waterways of North Vietnam as soon as this Agreement goes into effect.

Very little of this particular condition has been carried out.

> Complete cessation of hostilities mentioned in this Article shall be durable without limit of time.

Chapter II, Article 3:

> The parties undertake to maintain the cease-fire and to ensure a lasting and stable peace.
>
> As soon as the cease-fire goes into effect:
>
> (a) The United States forces and those of other foreign countries allied with the United States and the Republic of Vietnam shall remain in place pending the implementation of the plan of troop withdrawal. The Four-Party Joint Military Commission described in Article 16 shall determine the modalities.
>
> (b) The armed forces of the two South Vietnamese parties shall remain in place. The Two-Party Joint

Military Commission described in Article 17 shall determine the areas controlled by each party and the modalities of stationing.

This section has only been partially augmented.

(c) The regular forces of all services and arms and the irregular forces of the parties in South Vietnam shall stop all offensive activities against each other and shall strictly abide by the following stipulations:

All acts of force on the ground, in the air and on the sea shall be prohibited.

This has not been carried out.

All hostile acts, terrorism and reprisals by both sides will be banned.

This has not been carried out.

Article 5 provides:

Within sixty days of the signing of this Agreement [the Paris Agreement] there will be a total withdrawal from South Vietnam of troops, military advisers and military personnel, including technical military personnel and military personnel associated with the pacification program, armaments, munitions and war material of the United States and those of the other foreign countries mentioned in Article 3(a). Advisers from the above mentioned countries to all paramilitary organizations and the police will also be withdrawn within the same period of time.

• (1630)

This condition is being evaded.

Chapter III, Article 8(a) provides for the return of captured military personnel and foreign civilians of the parties and that this should be carried out simultaneously with and completed not later than the same day as the troop withdrawal mentioned in Article 5, namely, 60 days after the signing of the Agreement, which is March 30. This portion has been carried out probably more effectively than any other part of the Agreement.

Chapter III, Article 8(c) provides that the return of Vietnamese civilian personnel captured and detained in South Vietnam will be resolved by the two South Vietnamese parties on the basis of the principles of Article 21(b) of the Agreement on the Cessation of Hostilities in Vietnam of July 20, 1954; that the two South Vietnamese parties will do so in a spirit of national reconciliation and concord, with a view to ending hatred and enmity, in order to ease suffering and so reunite families; that the two South Vietnamese parties will do their utmost to resolve this question within 90 days after the ceasefire comes into effect, which would be approximately April 30 next.

Now, after 24 years of almost continuous civil war, you can imagine how difficult it is to just almost overnight suddenly cut off the hatred, bitterness and enmity so deeply embedded in those two parts of that unhappy country.

Chapter IV, Article 9, provides that the government of the United States of America and the government of the Democratic Republic of Vietnam, that is, North Vietnam, undertake to respect the following principles for the exercise of the South Vietnamese people's right to self-determination:

25862—27½

(a) The South Vietnamese people's right to self-determination is sacred, inalienable and shall be respected by all countries.

(b) The South Vietnamese people shall decide themselves the political future of South Vietnam through genuinely free and democratic general elections under international supervision.

That is, under international supervision and control, and I might comment here that this is not likely to happen.

Article 10 provides that the two South Vietnamese parties undertake to respect the cease-fire and maintain peace in South Vietnam, settle all matters of contention through negotiations, and avoid all armed conflict.

Article 15 deals with the reunification of Vietnam and the relationship between North and South Vietnam. It states that the reunification of Vietnam shall be carried out step by step through peaceful means on the basis of discussions and agreements between North and South Vietnam, without coercion or annexation by either party, and without foreign interference, and that the time for reunification will be agreed upon by North and South Vietnam. It continues:

Pending reunification

(a) The military demarcation line between the two zones at the 17th parallel is only provisional and not a political or territorial boundary, as provided for in paragraph 6 of the Final Declaration of the 1954 Geneva Conference.

(b) North and South Vietnam shall respect the Demilitarized Zone on either side of the Provisional Military Demarcation Line.

Chapter VI, Article 16, is one with which we were mainly concerned, that is, with the establishment of the joint military commissions on the International Commission of Control and Supervision and the International Conference. Article 16 specifically provides:

(a) The parties participating in the Paris Conference on Vietnam shall immediately designate representatives to form a Four-Party Joint Military Commission with the task of ensuring joint action by the parties and implementing the provisions of the Agreement.

Article 16 further provides:

(c) The Four-Party Joint Military Commission shall begin operating immediately after the signing of this Agreement and end its activities in sixty days after the completion of the withdrawal of U.S. troops and those of other foreign countries mentioned in Article 3(a) and the completion of the return of captured military personnel and foreign civilians of the parties.

Article 17 provides that the two South Vietnamese parties shall immediately designate representatives to form a two-party joint military commission with the task of ensuring joint action by the two South Vietnamese parties in implementing the provisions of the Agreement.

Article 18 provides that after the signing of the Agreement, an International Commission of Control and Supervision shall be established immediately, and continues:

(b) Until the International Conference, provided for in Article 19 makes definitive arrangements, the International Commission of Control and Supervision will report to the four parties on matters concerning the control and supervision of the implementation of the following provisions of this Agreement.

Article 18 further provides that the International Commission of Control and Supervision shall form control teams for carrying out its tasks, that the four parties shall agree immediately on the location and operation of these teams, and that the parties will facilitate their operation. There has been no agreement on the implementation of this section. The Article continues:

(c) Until the International Conference makes definitive arrangements, the International Commission of Control and Supervision will report to the two South Vietnamese parties on matters concerning the control and supervision of the implementation of the following provisions of this Agreement—

And it enumerates them.

(d) The International Commission of Control and Supervision shall be composed of the representatives of four countries: Canada, Hungary, Indonesia and Poland. The chairmanship of this Commission will rotate among the members for specific periods [of time] to be determined by the Commission . .

(f) The International Commission of Control and Supervision shall operate in accordance with the principle of consultations and unanimity.

(g) The International Commission of Control and Supervision shall begin operating when a cease-fire comes into force in Vietnam. As regards the provision in Article 18 (b) concerning the four parties, the International Commission of Control and Supervision shall end its activities when the Commission's tasks of control and supervision regarding these provisions have been fulfilled. As regards the provision in Article 18 (c) concerning the two South Vietnamese parties, the International Commission of Control and Supervision shall end its activities on the request of the government formed after the general elections in South Vietnam provided for in Article 9 (b).

This event is unlikely to take place.

The foregoing are the basic elements of the Agreement on ending the war and restoring the peace in Vietnam, and providing the authority under which Canada, as a member of the International Commission of Control and Supervision, sent 290 Canadian personnel to participate in the peace supervision in Vietnam.

Following the Paris Conference which brought about a cease-fire on January 27, 1973, tnere was another conference held in Paris on February 26. At this conference, Canada pressed to have the Secretary General of the United Nations, as an outside political authority, designated as the person to receive and circulate the reports being made by the International Commission of Control and Supervision. However, few of the participants at this conference were prepared to accept this arrangement. Accordingly, Mr. Sharp, who made a strong plea for the involvement of the United Nations, accepted a compromise arrangement under articles 6 and 7 of the act, which made it possible for reports and views of the commission to be transmitted outside the closed circuit of the belligerents to the conference participants, and further provided that the conference could be recalled as and when desired. Canada's insistence on having the ICCS report to some outside authority has been one of the causes of contention among the four powers, and it marked the beginning of what has come to be known as Canada's open-mouth diplomacy.

While some people are critical of Canada's insistence on making public the actions or inactions of the commission, I think it may nevertheless be true that whatever good will come out of the working of the commission will result from pressures of world opinion being brought to bear on the various parties. Whether or not the ICCS will achieve any degree of success in its main objective of supervising the cease-fire, the very fact that Canada has insisted on making known the difficulties, the frustrations, and the reasons for lack of action has, in my judgment, already had a beneficial effect, and I would not be surprised if a continuance of this policy may be a major factor in avoiding an escalation of fighting in South Vietnam in the days to come.

• (1640)

So much by way of a general background of some of the legal framework within which Canada's participation has evolved. From this point forward, I would like to review, in a personal way, my observations on the role that Canada has played up to the present time. In doing so I want, first of all, to pay a tribute to Mr. Sharp for the manner in which he treated the members of the delegation. These were, as you probably know, Douglas Rowland from the NDP, Eudore Allard from the Social Credit Party, and myself, representing the Senate and the Liberal side of Parliament. It was a matter of deep regret to me that there was no representative of the Conservative Party present. In my judgment, this was a mission over and above party, and one of very great importance to Canada, and the delegation would have been greatly strengthened if it had had a member like Gordon Fairweather or Heath McQuarrie. It is no reflection on Mr. Wagner that I did not mention him, but I suggested the other two names because they are not in the position of having to follow the official party line, being free from the responsibility of a foreign affairs critic in that party.

There were some suggestions that this mission was not justified, and that it would be an exercise in futility. I wish to disagree with that position as vigorously as I can. It is true the suggestion was made that instead of the mission going to Vietnam to see for itself, the same result might be obtained by bringing our ambassador, Mr. Michel Gauvin, and the head of the military forces, General Duncan McAlpine, back to Canada to appear before the Foreign Affairs Committee. This could be a useful exercise even yet, but I want to emphasize with all the vigour I can that there is no substitute for going to a country, meeting the leaders, seeing the people, seeing the conditions, and getting the on-the-spot feel of the situation. And in this respect we were extremely fortunate in being able to crowd a tremendous amount of activity into a very short

time. In the six days between the morning of March 13 and the morning of March 19, when we returned to Ottawa, we flew 22,000 miles, and visited the capitals of Saigon, Vientiane and Hanoi, as well as making a special trip out into the field at Can Tho, 110 miles southwest of Saigon in the Mekong Delta. In addition to this, we had the opportunity of meeting dozens of political leaders, military leaders, and representatives of the people. To me, it was one of the most exciting and rewarding experiences I have had in a long career which has taken me to many parts of the world.

Once the decision had been made for Canada to participate in the four power International Commission of Control and Supervision, no time was lost in getting a head of mission appointed and the troops into Vietnam.

We were fortunate in having available an experienced diplomat in the person of Mr. Michel Gauvin, who was Canada's ambassador to Greece. The story is told that when Mr. Gauvin and his party arrived in Tan San Nhut Airport in Saigon at 4 a.m. on January 29, he asked the officials who met him, "When and where is the first meeting of the commission?" He was told that no arrangements had been made for a meeting, so he immediately took the initiative, for which he has become famous in Vietnam, and called a meeting of the commission for ten o'clock that morning. This kind of initiative has characterized the whole Canadian operation from that opening day to the present time.

No arrangements had been made for a meeting—there was no staff, nothing—but because he took the initiative, Mr. Gauvin was automatically elected the first chairman of the commission, and he proceeded to set up an organization which has functioned very efficiently since that time.

The military personnel, under the leadership of General Duncan McAlpine, have impressed everyone, not only with their quality, but their enthusiasm, their dedication and their morale. No Canadian could go to Vietnam today and meet our Foreign Service officers and the military personnel without being very proud of the way they have carried out their responsibilities.

When the military people went into Vietnam, they were put in temporary quarters at Camp Van Tho. These were small, wooden military barracks, without air conditioning—and you must remember the temperature ranges from 85 degrees to 95 degrees and is extremely humid—and they were rather dirty and grubby, and exceedingly crowded. The men occupied double bunks, and there were four wash basins in a hut 120 feet by 24 feet. The conditions were exceedingly crowded, hot, and rather unattractive. However, these were simply temporary quarters, and as the Americans were moving out, more and more space was being made available. In due course, the forces were able to move into better quality quarters, some with air conditioning installed, but not all. The offices in which the administrative program is being carried out are really crowded, and cooled by nothing more than an electric fan, in most cases. Each individual has a desk cheek by jowl with that of his neighbour. However, as I indicated earlier, the Canadians have taken over with good grace and good humour. They are gradually tidying and cleaning up the place, and as the Americans move out they are moving into better quarters some of which are air conditioned.

The Canadian delegation, flying in a DND 707, consisted of four parliamentarians, about a dozen experts form the Department of External Affairs, 35 radio, press and television reporters and cameramen, and a double crew of 22. It was a pretty good load for the aircraft but it was very comfortable, and the conference facilities on board made it possible for Mr. Sharp to hold briefing sessions with the delegation en route, and this was very valuable.

We arrived at Tan San Nhut Air Base an hour and a half late, and were greeted by the Minister of Foreign Affairs, His Excellency Mr. Tran Van Lam; the Director of American Affairs, Mr. Phan Van Thinh; and the Director of Protocol, Mr. Nguyen Hon. An honour guard of Vietnamese soldiers in full camouflage battle dress, with a brass band, met the plane as we disembarked. Mr. Sharp inspected the guard, and then made a brief opening statement. Following this there was a meeting with the press in the VIP lounge at Tan San Nhut Air Base, after which Mr. Sharp proceeded with an escort to the official residence of the Minister of Foreign Affairs for his first session.

In the meantime, the rest of us were taken in military cars, with a motorcycle escort, down through the hustling, bustling streets of Saigon to the Caravelle Hotel. I had hoped that after 16½ hours of flying from Ottawa we might have had an hour or so to get cleaned up and a bit of rest. However, typical of what was to follow in the remaining days, we were advised that an arrangement had been made for us to attend a reception given by the Canadian Embassy. As this would provide an excellent opportunity to meet Vietnamese officials from both the PRG—that is the Provisional Revolutionary Government, the Viet Cong—and the ARVN, which is the South Vietnamese Government, we felt we had to be present. So it was just a matter of getting a quick wash and going by car again to the villa where the reception was being held.

A cocktail party in Vietnam is not so very different from one in Ottawa, with the possible exception that there is a greater percentage of colour, and the people are smaller, but the consumption of "refreshments" and the noise level would match Ottawa any day. However, this was one of the first occasions in the history of this conflict when representatives of the PRG and representatives of South Vietnam came together on a social occasion. Observing the contacts between the two sides, the civilities were kept to a minimum, but at least they spoke to each other.

This provided an excellent opportunity for Canadians to immediately start making contacts with the Vietnamese and my own first contact was with the very able General Nan Han Tra, the PRG General heading the Viet Cong forces in South Vietnam. He was accompanied by a General Hoa, who was a field commander for the DRV, and was on the Joint Military Commission. The Canadian press representatives were boring in on General Han Tra, and it was pretty hard to get a word in edgewise.

• (1650)

General Han Tra is a slight, impressive man of about 45, and is well educated, sophisticated, and a very successful commander by all accounts. We were to have another

meeting with him later on, but we were greatly impressed with the calibre of this man.

I had the good fortune to have 15 minutes with Ellsworth Bunker, the distinguished ambassador representing the United States. We were both looking for a quieter and cooler spot than in the super-heated villa, so we went outside in the garden and I had an opportunity of a first-hand discussion with him in which we went over some of the problems in Vietnam.

One of the items discussed was the missile base at Khe San which has been so much in the news, and which led to one of the first confrontations in the ICCS. I had seen the aerial photographs of the missiles on site at Khe San and there was no question they were there. They were mounted on flat-bed trucks which meant they could be readily moved, as they were once the uproar took place when the Canadians announced the ICCS was not prepared to investigate the missiles on a joint basis.

Honourable senators, I think this would be a good place at which to stop. With your permission, I shall carry on tomorrow. I understand we have another engagement at five o'clock.

On motion of Senator Cameron, debate adjourned.

AGRICULTURE

POWERS OF STANDING COMMITTEE EXTENDED

Hon. Hazen Argue moved pursuant to notice:

That the Standing Senate Committee on Agriculture which was empowered by the Senate on 22nd February 1973, without special reference by the Senate, to examine, from time to time, any aspect of the agricultural industry in Canada: provided that no special expenses shall be incurred by the Committee without specific authorization by the Senate and full compliance with Rule 83A, and that all Senators shall be notified of any scheduled meeting of the Committee and the purpose thereof and that it 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 any such examination; and

That the Committee, or any sub-committee so authorized by the Committee, may adjourn from place to place in Canada for the purposes of any such examination.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 411.*)

THE TAX RATIO IN OECD COUNTRIES (AVERAGE 1968-1970)

TOTAL TAXATION TO GNP AT MARKET PRICES

Taxation as a percentage of GNP is highest in Scandinavia and the Netherlands and lowest in the developing countries of OECD. It is very low also in Japan and Switzerland and relatively low in Australia and the United States. The picture is somewhat different if social security contributions are not counted as a tax.

The report notes that the term "tax ratio" is preferable to that of "tax burden" because, though taxes may be said to be a burden for individuals, for society they must be considered as payments for the various activities of governments. The differences between countries in the ratio of total taxation to GNP is often misinterpreted in a policy context. What it primarily shows is the relative preference of a country for various kinds of public goods and services over private goods and services and the role of government in the redistribution of income through taxation.

Even as a measure of government intervention in the economy, the tax ratio is subject to limitations: it does not take into account revenues from other sources than taxes which, though relatively small, may vary quite considerably from country to country. Perhaps even more important, they cannot take into account varying government reliance on expenditures in the form of tax reliefs or reductions. Thus, for example, family allowances granted in the form of tax reductions are reflected in a relative decline in tax receipts whereas similar allowances paid as transfers to households are not.

(a) *Excluding Social Security*		(b) *Including Social Security*	
1. DENMARK	35.6	1. SWEDEN	43.0
2. SWEDEN	34.8	2. NETHERLANDS	39.7
3. UNITED KINGDOM	31.6	3. DENMARK	38.7
4. NORWAY	29.3	4. NORWAY	38.4
5. FINLAND	28.5	5. UNITED KINGDOM	36.6
6. CANADA	27.8	6. FRANCE	36.3
7. IRELAND	27.4	7. AUSTRIA	35.8
8. ICELAND[2]	26.7	8. GERMANY	34.0
9. AUSTRIA	26.6	9. BELGIUM	33.8
10. NETHERLANDS	25.5	10. FINLAND	32.8
11. AUSTRALIA	24.4	11. LUXEMBOURG[1]	32.4
12. BELGIUM	24.0	12. CANADA	30.2
13. GERMANY	23.2	13. ITALY	30.1
14. LUXEMBOURG[1]	22.9	14. IRELAND	29.8
15. UNITED STATES	22.7	15. ICELAND[2]	28.6
16. FRANCE	21.8	16. UNITED STATES	27.9
17. GREECE[1]	20.1	17. GREECE[1]	26.3
18. ITALY	19.2	18. AUSTRALIA	24.4
19. SWITZERLAND	18.3	19. SWITZERLAND	21.5
20. TURKEY	17.4	20. PORTUGAL	21.1
21. PORTUGAL	16.5	21. TURKEY	20.4
22. JAPAN	15.8	22. JAPAN	19.4
23. SPAIN	11.8	23. SPAIN	19.2

[1]Average of 1968 and 1969 only for Greece and Luxembourg.

[2]1969 only for Iceland.

THE SENATE

Thursday, March 29, 1973

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

Prayers.

OLD AGE SECURITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-147, to amend the Old Age Security Act.

Bill read first time.

Hon. Leopold Langlois moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

He said: Honourable senators, with leave, I should like to make a short statement at this stage concerning this legislation. Yesterday I discussed with the Leader of the Opposition the situation likely to be created by the possibility of this bill coming before us today, together with the fact that Bill C-148 came to us yesterday. We inquired of the department concerned about the possible urgency of sending out cheques reflecting the new amounts provided in these bills. We were given to understand that these modifications will be reflected in those cheques, which will be in the hands of the pensioners concerned at the end of April, and also that if these two bills received royal assent some time next week there would be no delay in the mailing of said cheques.

On the basis of this information, the Leader of the Opposition and I came to an understanding that second reading of this bill should be postponed to Tuesday next, with the possibility of obtaining royal assent by Thursday next.

Hon. Mr. Asselin: Honourable senators, on this point, the Leader of the Government should try to make it clear to the news media that we are not delaying the issuing of cheques to old age pensioners. We have been accused of doing so by certain newspapermen who say that the Senate is going to block this legislation. The leader should make it clear that the Senate will have time to study this legislation carefully without delaying the receipt of these cheques by old age pensioners.

Hon. Mr. Langlois: That is exactly the essence of the statement I made a few moments ago. I hope the honourable senator would not expect me to control what is written in the press, as that would be a very difficult task indeed.

Hon. Mr. Croll: I am positive that the cheques have already been printed.

Hon. Mr. Langlois: You have advance information.

Motion agreed to.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report by the Textile and Clothing Board, dated December 20, 1972, relative to an inquiry respecting polyester filament yarn, pursuant to section 9 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72, together with copy of a news release, dated March 28, 1973, relating thereto.

Report on the operations of the Shipping Conferences Exemption Act for the year ended December 31, 1972, pursuant to section 12 of the said act, chapter 39 (1st Supplement), R.S.C., 1970.

Report of the Tax Review Board for the year ended December 31, 1972, pursuant to section 17 of the Tax Review Board Act, chapter 11, Statutes of Canada, 1970-71-72.

Communiqué, dated March 27, 1973, issued following a meeting of the Committee of the Board of Governors of the International Monetary Fund on International Monetary Reform and Related Issues, held in Washington March 26 and 27, 1973.

Capital Budgets of the Cape Breton Development Corporation for the year ending December 31, 1973, 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. 1973-650, dated March 22, 1973, approving same.

HEALTH, WELFARE AND SCIENCE

CHANGE IN COMMITTEE MEMBERSHIP

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

That the name of the Honourable Senator Phillips be substituted for that of the Honourable Senator Beaubien on the list of senators serving on the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

• (1410)

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 3, 1973, at 8 o'clock in the evening.

Motion agreed to.

APPROPRIATION BILL No. 2, 1973

THIRD READING

Hon. Leopold Langlois moved the third reading of Bill C-166, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 3, 1973

THIRD READING

Hon. Leopold Langlois moved the third reading of Bill C-167, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

Motion agreed to and bill read third time and passed.

WAR VETERANS ALLOWANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Lang for the second reading of Bill C-148, to amend the War Veterans Allowance Act.

Hon. Orville H. Phillips: Honourable senators, in rising to speak to Bill C-148, I am very much aware that the members of this chamber have already been subjected to hearing me participate in the debate on two or three different items already this week. Therefore, I would ask you to find solace in the fact that it never rains but what it pours—and it seems to be the case this week that you are having somewhat of a deluge from one member of the chamber, namely, Phillips. I apologize for that. As you all know, we have no control in determining how legislation comes into this house, and consequently you are now faced with the unfortunate prospect of having to listen to me for the third time in one week.

Honourable senators, I should like at the outset to thank Senator Lang for introducing this bill. He has in the past introduced several amendments to this act and to other acts, and in this instance as in the past he gave us a very concise explanation. I should like to say to Senator Lang that I enjoyed his introduction of the bill, by which he showed that he is, as always, aware of the pros and cons of the legislation. In his introduction he was not in any sense political; he did not attempt to say that the government in its wisdom was raising the veterans' pensions. He simply stated why they were being raised. On the other hand he stated quite frankly that there were many aspects of the bill that could be reviewed and many improvements that could be brought about. As I have said, this is the type of introduction that I really enjoy, and I should like to thank Senator Lang for providing us with it.

An amendment to the War Veterans Allowance Act is usually accompanied by what I would call a sister bill; that is, a bill raising the basic pension rate. It is fine on the one hand to raise the war veterans' allowance rates because of inflation and the increase in the cost of living. I approve of doing this while regretting its necessity. But, on the other hand, let us remember that there are a great many recipients of disability pensions who are not included in this bill. Admittedly, part of the delay is due to a review of the pension legislation. But may I express the hope that a bill increasing pension rates will not be too far behind Bill C-148.

• (1420)

In the public mind there is a great deal of confusion concerning the difference between a disability pension and a war veterans allowance. Perhaps it is worth while to once again put on record that a disability pension, as is often described, is one that is earned by right as a result of injuries received in active service. The War Veterans Allowance Act assumes a different principle, and I would describe that as "pre-age."

Madam Speaker, if everyone wishes to continue their private conversations and are not interested in this bill I am quite prepared to sit down, but I am not prepared to compete with 40 different private conversations. What is your ruling in this regard, Madam Speaker?

The Hon. the Speaker: I think honourable senators will be glad to listen to you and to discontinue their conversations.

Hon. Mr. Phillips: As I was saying, the principle involved in this bill is that war service pre-ages the individual. None of us can quarrel with that, and we all support the principle of increasing the rates. In his introduction Senator Lang suggested that it was time for an overhaul of the legislation to provide simplicity, adequacy, and generosity in this bill. I am sure that Senator Lang has the support of all honourable senators in this regard.

I should like to take a moment or two and point out that when we combined the old age security, the guaranteed income supplement, and the war veterans allowance, we made a very unfortunate mistake. I deliberately say "we" because at that time I did not oppose the combination. I was merely interested that we maintain a certain level of the veteran's income as compared to that of the non-veteran.

Experience is our best teacher and we should take a lesson from it. At the present time a veteran receiving war veterans allowance receives a notice when he is about 64½ years of age to apply for old age security and guaranteed income supplement. This is very confusing to a great many veterans who do not understand the regulations and, indeed, in many cases do not have adequate access to them because personnel of the Department of Veterans Affairs are not always available to explain them. They must re-apply, and the Department of Veterans Affairs or, more specifically, the War Veterans Allowance Board, assumes that they automatically receive old age security and guaranteed income supplement. There is no quarrel with the War Veterans Allowance Board; they are merely following a regulation. The veteran must in turn apply for the difference in the allowance to a veteran and to a non-veteran, which is approximately $15 per month and $30 per month. By the time a veteran who is in his late years makes all these applications he is thoroughly confused. Such a situation illustrates the wisdom of Senator Lang's remarks that there should be simplicity in this act. There are many other confusing aspects of combining OAS, GIS and war veterans allowance. Allow me to illustrate by considering the case of a veteran who

reaches the age of 65 and has been instructed to apply for old age security benefits. His wife is between three and four years younger than he, which is quite within the normal pattern, and she is not eligible for old age security or GIS payments. Consequently, two departments of government are involved, and all honourable senators know how difficult and confusing that can be. Let us carry this a little further and take the example of a married couple at the time when either husband or wife dies. They have moved, let us say, from Ontario to British Columbia in order to be near their family. They are now involved with the war veterans allowance, the old age security, and the guaranteed income supplement, and they must meet a residency requirement. By this time the issue has not only been confused but has been compounded three times. There is a need, as Senator Lang mentioned, for simplification. To my mind it would be much more logical to take this group of veterans who receive the veterans allowance and continue them within the Department of Veterans Affairs. If at the end of the fiscal year the department does not wish to assume financial responsibility for these people, then let them have the money in a lump sum and bill the Department of National Health and Welfare for an equivalent amount of OAS and GIS.

• (1430)

It could even be done through the familiar method of a $1 vote in the supplementary estimates, and this is one vote to which we on this side of the house would not object.

It is estimated that 25 per cent of the cost of family allowances is consumed in administration costs. Imagine how, under the present departmental system, we must have escalated the cost of administering war veterans allowance cheques, cheques designed to provide veterans with the bare necessities of life.

I would suggest that when this bill goes to committee we should look at it from the point of view of the extra administrative costs involved and the convenience of recipients of the war veterans allowances, and try to keep it all under the War Veterans Allowance Act. My remarks are not intended to be critical of either the government or the department. I am merely using hindsight as being better than foresight.

Yesterday I asked Senator Lang to give me a legal definition of "income" under the bill, and he declined, perhaps wisely. Outside the chamber somebody suggested that if I had consulted Senator Lang as a lawyer he would have supplied the advice—at a fee, of course. But in this chamber he was not willing to provide it. Perhaps that is more specifically the responsibility of the minister and senior officials.

This morning I telephoned the Chairman of the War Veterans Allowance Board, Mr. Don Thompson, and discussed with him the aspect that concerned me, which specifically was the amount of money a recipient can have in the bank. As honourable senators are probably aware, at the present time a married couple cannot have in excess of $2,500 in cash, stocks or bonds. This raises a very important question. Many veterans took the re-establishment credit and purchased a home under the Veterans' Land Act. At that time, in the immediate post-war years, I believe the act required them to have five acres of land. I have not had the opportunity to go back and check that, but I believe that that was the regulation in effect in most areas of the country. That whole pattern has now changed. What was considered to be a sizeable plot of land for the veteran to build on in 1945, 1946, 1947, is no longer applicable. The veteran who put his re-establishment credit into VLA now finds himself sitting on a very valuable plot of land. Let us consider the case of a veteran who becomes disabled due to a heart attack, cerebral haemorrhage, or any other reason. That veteran becomes the recipient of a war veterans allowance and is now dependent on that allowance as his income. If he sells his house and property, whether it be two acres, five acres, or whatever, in most areas of Canada it is not unlikely he would receive a sum in excess of $50,000. That $50,000, under this bill, becomes income. It is fair to say that we have raised the personal property exemption, but we really have not changed the income regulations to accommodate a sale of this type. If he invested the $50,000 it could yield an investment income of $4,500 per year and, therefore, exclude the veteran from the provisions of this bill. It is fine to say that he has an income of $4,500 per year, but let us remember that that income is derived from his re-establishment credit. It was that credit which built up his real estate property to that amount.

A member of our crew in bomber command used his re-establishment credit to purchase a home in Toronto. If I recall correctly, he paid $10,000 or $12,000 for it. Today he can sell it for $50,000 to $60,000. I do not intend to go into the reasons for the increase in home values. I merely point out that the value of his home has increased that much, and if he sells his home he is automatically excluded from the provisions of this bill. This is one aspect that has been completely overlooked. I am not prepared to say that those who used their re-establishment credit in a different manner, as I did myself, should be exempted. I do not believe they should. This is one aspect that I feel should receive special consideration in committee, and there are a good many others.

One aspect which I have not had an opportunity to fully study is that of the circumstances of a recipient of war veterans allowance as compared with those of a person receiving welfare assistance. This is difficult, because it varies from province to province, and even within a province. A person receiving welfare assistance in Ottawa would probably receive more than a person in, say, North Bay, or Saint John, New Brunswick.

• (1440)

I believe it is essential to make a comparison, because the welfare recipient has certain benefits. If a welfare recipient needs extra clothing, a social worker provides a special allowance for that immediate need. If the welfare recipient cannot pay the rent for this month, again a social worker can make the rent payment. True, the recipient of a war veterans allowance can apply to the benevolent fund, but it takes six to twelve months to get consideration of the application, whereas a welfare recipient can get consideration in twelve hours. This aspect should, I think, be considered in committee, and certainly I will attempt to follow it up.

If honourable senators think I have belaboured the point that this legislation is too complicated and too confused for the average veteran to understand, I would refer you to the remarks of the Honourable Daniel MacDonald, the present Minister of Veterans Affairs. I should point out that we both come from the same province, so I probably understand his language a bit better than many of you. I quote from the report of the committee in the other place where the Minister of Veterans Affairs, dealing with various regulations, said:

> You said it was complicated, at least you hoped that it was not complicated; I must confess to you, sir, and to any ladies here, that I find it complicated as hell—and I would not want that to be quoted—but it is complicated.

I think we have received an excellent directive from the minister, and we can go to the committee meeting imbued with the idea of attempting to do our best for these people who have earned these allowances, to try to simplify a procedure that none of us foresaw when we last revised this bill. I ask honourable senators to go to the committee with that in mind, for then I am sure we will be able to perform a great service for the veterans, if we follow up that idea.

Hon. Chesley W. Carter: Honourable senators, I should like to join with Senator Phillips in expressing to Senator Lang our great appreciation of his very clear exposition on this bill. The provisions of the bill are quite generous and merit our support, and I want to say at the outset that I heartily support it.

If the increases under the bill are compared with past increases and past allowances, they are generous. If they are compared with allowances paid by other nations to their veterans, they are most generous. However, if the figures are compared with the table contained in the report of the Special Senate Committee on Poverty, then they appear in a different light.

The maximum allowance now paid to a veteran under this bill is $257.21 per month. The maximum income a veteran can have from all sources is now $3,926.52. It will be seen from the table in the Poverty Committee Report that in 1969 our poverty line for a married couple was $3,570. In 1971 that figure was increased to $4,040. The comparable figure for 1972 was $4,270. Therefore, although the present figures are very generous compared with what veterans have received in the past, I must point out that they are still below the poverty line by over $200 a year.

It may be argued that it is not valid to compare veterans allowances with the poverty level. I would like, honourable senators, to take a minute or two of your time to explain why I think it is valid. As you have heard from speeches in this house and elsewhere, including the Poverty Committee Report itself, the poverty level was determined by taking 50 per cent of the average disposable income for a family of four. We took that average disposable income for a family of four all across Canada, in all ranges from the highest to the lowest, and then divided it in half. We then developed a formula which would enable that 50 per cent to be adjusted for the cost of living, and adjusted also in accordance with the increase in the gross national product. This means that they would also have a share in the growing wealth of our nation. The reason why I think it is relevant to refer to it in connection with this bill is that the veterans, when working out their disability pensions, rediscovered this principle. They reacted as though they had discovered something new, but in reality it is the same principle as that which we laid on the table of this house over a year and a half ago. The principle is that everyone—poor people, people on the poverty level, and certainly veterans—should share in the growing wealth of our nation. That is the principle, but it is missing in this bill.

• (1450)

It will be embodied in a bill that will come before us with respect to disability pensions, but it is still missing from this bill. I am not complaining so much about that but I am pointing out its absence and expressing the hope that it will be embodied in future bills. Some of the veterans who will benefit by this bill are more in need than the persons who would benefit under the Pensions Act. But there should be no discrimination between veterans in that regard. They should be treated alike. If one set of veterans should share in the growing wealth of our nation, so should they all.

Honourable senators, I should like to say a few words about the original intent of the War Veterans Allowance Act. It was passed originally on the premise that a veteran pre-aged as a result of his war service. At that time, Canadian citizens generally qualified for the old age pension at the age of 70. The premise was that by reason of his war service the veteran at the age of 60 had pre-aged to the same level as the non-veteran reaching the age of 70. Therefore, the allowance was made to veterans at the age of 60 without any medical qualification whatsoever.

Senator Lang pointed out yesterday that many veterans refer to this bill as a burnt-out pension. Of course, this is not a pension at all, it is an allowance—more than that, it is an allowance paid in accordance with a means test. Not every veteran can get it. He has to come within a means test which is set forth in the act. That means test must be out of date now because the purchasing power of the amount a man may have in a bank, or the value of his house or property, is all out of proportion to what it was even five years ago. This keeps people from qualifying who might otherwise qualify if the adjustment had been made to the means test. That is not the only thing I wish to point out.

Honourable senators, if you look at column II of the schedule, you will see the monthly rate of the allowance itself, which is $257.21. If you look at the third column you will see a total of $3,926.52, which works out to $327.21.

Hon. Mr. Choquette: Don't forget the 21 cents, senator.

Hon. Mr. Carter: Between these two figures, there is a considerable difference per month.

I pointed out earlier that if a veteran can get the whole difference and get the maximum amount he is still below the poverty level. The veteran does not necessarily get the full amount, because this difference of $71, which is made up from the special assistance fund, is paid out to veterans in accordance with a formula. That formula can cause an injustice to a frugal person, if his circumstances before applying for the war veterans allowance were such that

he managed to get by on very little. This special assistance fund is administered in accordance with a needs test. He has to prove that he needs more before he can get more from the special assistance fund to adjust the difference between the allowance itself and the maximum income permitted under the act. That freezes the income of a person so that not only does he not share in the growing wealth of our country but he is made a victim of his own frugality. He has no way of improving his standard of living beyond that which he was forced to endure before he qualified for the allowance himself.

When this veterans allowance was first brought in, I pointed out that it was really an old age pension administered at the age of 60 instead of at the age of 70. There is another concept, too. Because a veteran served his country, it was agreed that as a token of appreciation of his service to his country he was entitled to something extra, to a little larger allowance or a little larger amount than the old age pension. That was the original concept, and for many years that concept was embodied in legislation.

We seem to be getting away from that now. When Bill C-147, which is on our Order Paper, was before the House of Commons, the minister said, as reported on page 1793 of the House of Commons *Hansard*, that the maximum an old couple can receive now, with a basic pension plus their guaranteed income supplement, is $3,895. The veteran gets $3,926, which is only $30 more. Therefore, this principle of maintaining the balance, or maintaining the preference that the war veteran received over the old age pensioners generally, is being eroded and eventually it will disappear. In the case of veterans who did not get the maximum allowance and who come under this formula, it has been eroded already.

Honourable senators, I mention these points in the hope that those who administer this special assistance fund will bear these principles in mind and will administer the fund more generously. Perhaps they can even work out a new formula. Furthermore, I hope that when this legislation is revised, perhaps in a year or two, these principles will be embodied in the act.

• (1500)

Hon. Daniel A. Lang: Honourable senators—

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Lang speaks now his speech will have the effect of closing the debate.

Hon. Mr. Phillips: Honourable senators, before Senator Lang closes the debate I should like to direct a question to him, and I feel I am entitled to do so, because after all I gave him a free interpretation or free description of "personal property." And it was a valid description, too, Senator Lang. I wonder if you could, in your closing remarks or prior to that, if you wish, make a distinction between "income" and "casual earnings" as referred to in this bill.

Hon. Arthur Laing: Honourable senators, I should like to add a few words to the observations made by other senators. It is important that we bear in mind the kind of legislation this is and for whom it was originally introduced. It has been said that it was for the benefit of veterans who had become pre-aged. At one time it was called the "burnt-out pension."

[Hon. Mr. Carter.]

I am glad to see it on record that it is not a pension at all. A pension pertains to those men who volunteered their services for their country, went overseas and suffered as a result of wounds. That is a pension. While there has been an opinion on the part of succeeding governments that the war veterans allowance was a thing to be cautious about, I would think that they had every right to be cautious because this was a grant of money to people whose sole qualification was that they had volunteered their services to their nation and therefore were veterans. They came back, some of them disturbed, some of them upset, some of them unable to "hack" it, as the word is said, and some of them who merely fell upon evil days, and the nation commendably at that time was of the opinion that the nation owed something to them above the ordinary citizen, and that is why this legislation was introduced.

We are paying at the present time about $78 million in war veterans allowances. For pensions, for those who did suffer, we are paying some $274 million. I want to differentiate there, because those who have suffered, who have lost limbs, have had their income affected for all time as a result of having made a contribution to their nation, want the differentiation maintained between themselves and those receiving the war veterans allowance, and I am 100 per cent for that. When we consider the figures that are being put on the record today, I want senators to know that a 100 per cent pensioner, a man who might have lost both legs and one arm, is being paid the munificent sum of $303.75 per month.

I am not at this time going to attempt to talk about legislation that I hope will come before us quickly in respect of this other section of our veterans, but, you know, the comparison is rather invidious when you consider that a 100 per cent pensioner gets only $303.75 per month. My remarks are, however, directed to the suggestion that when this legislation comes, and I hope it will come quickly, this house should give support to the concept that those who have suffered—with manifest losses, physical losses and losses in their income for all time and across the board—will be honourably remembered by the people of Canada because it is their just due.

Hon. Senators: Hear, hear.

Hon. Mr. Lang: Honourable senators—

The Hon. the Speaker: I would remind the house again that when Senator Lang speaks he will close the debate.

Hon. Mr. Lang: Honourable senators, in closing the debate I want to express my appreciation to Senator Phillips, Senator Carter and Senator Arthur Laing for their contribution to the debate. I thank Senator Laing particularly for the expertise that he brings to this subject as an ex-minister of Veterans Affairs, and I thank Senator Carter for the benefit of his long experience as a veteran and his long concern over veterans' affairs.

In introducing the legislation, perhaps I failed to explain, or did not explain adequately, how this bill, which is entitled "An Act to Amend the War Veterans Allowance Act," does in fact amend the Civilian War Pensions and Allowances Act. The latter act sets out allowances for civilian combatants, and the amounts of those allowances are incorporated by reference to the schedules in the War Veterans Allowance Act. In other

words, as the schedules out of the War Veterans Allowance Act are amended, so is the scale of allowances granted under the Civilian War Pensions and Allowances Act automatically amended. I just point that out because the title of the bill itself is somewhat misleading owing to the fact that, because of that interrelationship, it does amend another act.

Finally, honourable senators, I would just refer to the question that Senator Phillips asked me with respect to a distinction between "income" and "casual earnings." I must confess that I am not a legal expert on the interpretation of these matters, which are encrusted with precedent besides, and it would be improper for me, in any sort of introduction of a bill urging acceptance in principle, to attempt to deal with technicalities about which I do not and cannot profess to be an expert.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Lang, bill referred to the Standing Senate Committee on Health, Welfare and Science.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that she had received the following communication:

GOVERNMENT HOUSE

OTTAWA

29 March 1973

Madam,

I have the honour to inform you that the Honourable D. C. Abbott, P.C., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of March, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Madam,
Your obedient servant,
André Garneau
Brigadier General

Administrative Secretary to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

• (1510)

VIETNAM

VISIT OF CANADIAN PARLIAMENTARY MISSION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Cameron, calling the attention of the Senate to the recent Canadian Parliamentary Mission to Vietnam.

Hon. Donald Cameron: Honourable senators, I am continuing the debate from yesterday. You will recall that the last matter I dealt with was that of the missile bases at Khe San. This was probably the first positive effect of the Canadian participation in the International Commission of Control and Supervision. The Canadians could not get agreement of the four parties on the commission, but the breach was so flagrant that they decided to go ahead and announce what they had found. This disclosure concerning the missile bases at Khe San, which constituted an obvious breach of the cease-fire agreement, created such an uproar and had so much effect on international opinion that those missiles were withdrawn.

The reception which I mentioned yesterday, and the meetings with the South Vietnamese ministers and generals and the PRG ministers and generals, was the first time that these people had come together face to face in a sort of informal, social arrangement.

Following this we had the opportunity of meeting with other Vietnamese, and the members of the other delegations of the ICCS—that is to say, the Poles, the Indonesians and the Hungarians. It was interesting to meet these people personally and to try to make some assessment of the types of personalities that our representatives were dealing with. There can be no question that there was relatively little give-and-take on the part of the Poles and the Hungarians. We found at that time, as we found on subsequent occasions, that these people were following pretty closely the ideological and political line.

Following this meeting with the mixed delegations, we had a meeting of the members of the Canadian delegation and the External Affairs staff with Ambassador Gauvin, Mr. Vern Turner, Mr. Howard Singleton, Mr. Simard, and other members of the mission. They gave us a first-hand briefing as to what had been happening in the previous 50 days. This was really the first first-hand briefing we were able to get. Ambassador Gauvin reviewed the happenings since his arrival on January 29; he made us aware of the problems they had had, and their difficulties with other members of the commission. He indicated that generally the Indonesians went along with the Canadians, but the Poles and the Hungarians tended to follow the ideological line and refused to take part in an investigation which might be critical of the PRG or the North Vietnamese. Mr. Gauvin also indicated that none of the other delegations on the commission had made any arrangements for establishing a secretariat and did not seem to have the initiative to get anything under way. Had it not been for the initiative of the Canadians in organizing a program and setting up a secretariat, the ICCS would have just sat on its hands in Saigon doing nothing.

Mr. Gauvin indicated that up to that time—and this was March 15—there had been some 7,000 breaches of the agreement reported, which number has now climbed to 14,000, and that 26 of those 7,000 had been investigated, but only two had received the required unanimous consent and could be reported to the commission.

Hon. Mr. Deschatelets: Will Senator Cameron permit a question?

Hon. Mr. Cameron: Yes.

Hon. Mr. Deschatelets: Who makes these reports, and how are they recorded? There are many complaints on the Canadian side about this. We read sometimes that there were thousands of breaches, and so forth. How are they reported and recorded?

Hon. Mr. Langlois: They must be using computers.

Hon. Mr. Cameron: The general procedure is that when a request is made for an investigation the four members of the ICCS meet and decide to send a team out to investigate. It has to be done very quickly, otherwise the evidence can be removed—as has been done frequently. But in most cases it is very difficult even to get agreement to send out a team. So, in a number of cases, the Canadians have made their own investigation.

Now, the question which you were asking concerns what happens when they decide to make a report. Well, if the four teams go out and investigate as a four-power member of the commission, they come back and get together to decide what their report shall be. There have been 31 such investigations, but in only two cases up to the present time have they been able to agree on a unanimous report. In a number of the other cases the Canadians have said, "Well, we are going to discharge our responsibilities by reporting what we have seen, and you can take it or leave it." This is what has led to the term "Canada's open-mouth diplomacy." Some people are concerned that we cannot keep up this "open-mouth" diplomacy for very long. I do not share the concern of Mr. Rowland, for example, whose view is that this will irritate the Poles and the Hungarians. It may irritate them somewhat but not, in my view, to the point where they will do anything about it. In fact, I think this is one of the most effective things the Canadians have done. They have told the story as it was, and this has gone out to the world.

One of the things that we have to recognize is that it is very difficult to assess in concrete terms what the effects of this Canadian disclosure have been. I do not think they can be measured accurately, but on the other hand I do think that that disclosure has probably had more effect in dampening down hostilities than we may give it credit for at the present time. I shall say a little more about this later on.

In the Khe San incident the Canadians could not get the agreement of their Hungarian and Polish colleagues, and decided to release the information themselves. This came as something of a shock to the PRG and the DRV, as well as the South Vietnamese. It created such an uproar that the missiles were withdrawn. However, you will have read in the last day or so that the missiles have reappeared at another site not far away. The North Vietnamese claim that these were in position before the cease-fire, and as a consequence had a right to stay there under the terms of the agreement which indicated that the various forces would hold the positions they held at the time of the cease-fire.

It is very difficult to determine what is what, because they have developed there what is termed the "leopard pattern" of occupation. There are Viet Cong pockets all over South Viet Nam, and even within ten miles of Saigon. We were told time and again that out of every ten truck drivers inside Saigon at least three are Viet Cong. So this gives you some idea of how easy it is for the Viet Cong, or the PRG as they call themselves, to carry out the incidents they do. When you see that country you realize that it would have been impossible for these people to bring in heavy artillery, troops and ammunition unless they had a great deal of support in the country. I say this because one of the things that surprised me was that much of the territory from Saigon south and west to the Delta is open country much like the area around Lethbridge. Frankly I did not expect to see these great open fields, but I shall tell you more about that later on.

On March 16 our delegation proceeded at 8.15 a.m. to the original Canadian Armed Forces headquarters at Camp Van Tho. Quite a few of the personnel had been moved out of those quarters, but we were given the opportunity to inspect them. They were, as I indicated earlier, dingy, dirty, overcrowded, hot and decidedly uncomfortable. However, there were only a few Canadians left there, and they were expecting to be in better quarters within a day or two after our visit. Following the inspection of Camp Van Tho we went over to the present headquarters on the air base at Tan San Nhut, and inspected these as well. These showed the effects of the Canadian flair for organization. They were cleaned up, and even the grounds outside were being smartened and tidied up. They were more spacious. There was some air conditioning, and much less crowding. Again, the morale of all the people we talked to was very high indeed.

Following this inspection, Ambassador Gauvin provided another occasion for the Canadian delegation to have a briefing and to get more ideas from the military staff and the foreign service officers serving in that area. This all formed part of our total background to and knowledge of the situation.

Because of the reports that we had been hearing about political prisoners and their treatment, some of us got a chance to meet representatives of the World Council of Churches, the Canadian Red Cross, the International Red Cross in Geneva, a Catholic priest and a Catholic sister. These were all civilian social workers who were concerned with the civilian prisoners who were being released. We arranged to meet these people, and they indicated they would try to arrange for us to meet the prisoners. To give some idea of the political climate in Saigon at the present time, we had suggested that they come and have lunch with us at our hotel, but they said they did not think this would be safe, and that they would rather meet us in some much less public place. Accordingly, Mr. Singleton of our Embassy arranged to have them precede us into a small restaurant on a side street, and they were in their places in a small private dining-room when we arrived.

• (1520)

I must pay special tribute to Mr. Singleton. This man was simply tireless in his efforts to give us every opportunity to meet the people we wanted to see, and to provide us with transportation. He made it possible for us to utilize practically every waking minute—and there were many waking minutes.

These people indicated that it might not be well for them to be seen with foreigners. Before the luncheon they

indicated that they had been in touch with ten prisoners who had recently been released from the Vietnamese jails. These were people who had been in leg irons and shackles for long periods of time. They were in poor condition and the marks of the shackles were very evident on all of them. In conversation with the social workers by telephone they said they were so concerned about their own personal safety and that of their friends that they would not give the names over the telephone, and they would not give the locations. This all had to be done by courier.

Mr. Rowland, Mr. Allard and I looked forward to meeting the prisoners and having discussions with them at first hand. You can imagine our surprise when we were told by this group of people that that morning eight of the prisoners had disappeared. At first the social workers were afraid they had been kidnapped, and that they might have been taken back to prison. However, by the time they came to meet us at one o'clock that afternoon they had established that the eight prisoners were safe. They had been taken away by their friends and relatives, and were being well taken care of.

There were still two prisoners in the original location and it was arranged that we should meet them the following day. The following morning it was intended that we should go to Can Tho, the base 110 miles out in the Mekong Delta, to see the situation in the field, and that we would have another briefing with our officers and foreign service people at the air base on our return. But we felt it was important to have a first-hand discussion with the prisoners, if that was possible, so Mr. Singleton arranged with the military to have a car and a motorcycle escort at the ramp as soon as our plane touched down to take us at full speed to a rendezvous previously designated to meet Sister Katherine and the Vietnamese social worker, who would take us to see the prisoners.

We were about 20 minutes later in returning to Tan San Nhut air base from Can Tho than we expected, but Mr. Singleton had a car available for us, and we were escorted by a first class motorcycle policeman—who I was told was one of President Thieu's private motorcycle outriders—and an ordinary motorcycle policeman. We went through the madhouse of Saigon traffic at 40 to 50 miles an hour, driving on the wrong side of the road through all the stop lights and with the sirens blaring—and as the Western cowboys say, "I never pulled so much leather in my life." The rendezvous we had set up was in a cathedral in centre town. We felt that with this very noticeable party we had better go past the cathedral and come back to it more quietly. Then we decided that we would let Mr. Rowland out first and he would walk back and go into the cathedral, and I would come along a little later. He looked for Sister Katherine, and when he found her she was alone. The Vietnamese social worker had been so afraid she might be seen with us that she decided not to come. The second piece of bad news was that during the morning the two prisoners we were hoping to see had disappeared, and at the time we left we did not know what had happened to them. It is likely the same thing happened to them as happened to the previous eight prisoners.

During the discussion at the luncheon with the Red Cross officials and social workers we were trying to get a picture of what the situation was with respect to the political prisoners, and the change in their status from that of political prisoners to that of common criminals. It had been reported to us that for the last four months the South Vietnamese government had been removing thousands of political prisoners from their prison records, and re-classifying them as common criminals, and that these people could be held indefinitely without trial. We were trying to obtain some assessment of the number of people held on the prison island, Con Son, where the tiger cages were, and we got all kinds of different statistics. One report indicated there were 120,000 prisoners kept there, but this was an obvious exaggeration. As far as we could judge, the numbers are probably somewhere between 20,000 and 30,000, and more likely the latter.

We found out that, as a result of an investigation by a couple of American congressmen last year, and by Mr. Luce who released a story on the tiger cages, the South Vietnamese Senate had decided to send a delegation out to examine the situation on the prison island. We had this confirmed later by the President of the South Vietnamese Senate. Apparently they went out and said they did not see anything untoward as far as the cages were concerned. We had been told that they did not see the cages, that you had to know the island, and that you had to know how to get at them. Apparently they did not.

While many of the prisoners have been kept in cages where they could neither lie down nor stand up, this was not true of all of them. In fact, many of the old dungeons, although very small, had high ceilings and were cool. However, as a result of the protest movement and the intervention of the Red Cross, the South Vietnamese administration decided to provide new cages for part of the prison population which would meet the minimum space requirements of the International Red Cross. It turns out that the containers which are used for shipping goods by boat and cargo trucks have the minimum space established by the International Red Cross for one prisoner. So the South Vietnamese took these metal containers, cut holes in them and stacked them up, and they became the new cages. It is ironic that while these cages meet the minimum requirement of the Red Cross, the prisoners are much worse off than before because these metal cages are just like furnaces. So here is a case where people with good intentions actually made things more difficult for the people they were trying to help.

In talking to the Red Cross people, I gained the feeling that they were definitely of the view that the South Vietnamese were "our side." This is something about which Canada has to be very careful. Canada has a reputation of being objective and fair. We can all understand the reasons why we tend to think of the South Vietnamese as "our side." But this can be one of the things which could tip the scales, in the days to come, against getting a settlement, or against getting an easier settlement than might otherwise occur. We must ensure that Canada's objectivity is observed at all times, regardless of what our personal feelings may be. These feelings slip out time and again, and one of the risks we run is that many people involved in international relations tend to look upon the South Vietnamese and President Thieu's crowd as being "our side"—and this in spite of the fact that the corruption there today is well known.

Another point came out in the discussion with the two Red Cross officials. They indicated that the South Vietnamese had released many thousands of civilian as well as military prisoners. They said it was their information that the PRG and the North Vietnamese had taken 40,000 military prisoners and 50,000 civilian prisoners in the South, but so far had released less than 5,000, and they wanted to know what happened to the other 85,000. So did we. We put this question to the North Vietnamese, and also to General Han Tra. The answer by the PRG and DRV was rather interesting. In case you get these initials mixed up, I will remind you that the PRG is the Provisional Revolutionary Government of South Vietnam and the DRV is the Democratic Republic of Vietnam (North Vietnam). They stated that it may have been true that they had taken 90,000 prisoners, both civilian and military, but in most cases they took them behind the lines for about three days, gave them an indoctrination session, and then turned them loose.

• (1530)

This certainly applied to the civilian prisoners, and often to military prisoners. Some of the military prisoners were incorporated in the back cadres of the PRG, and others were turned loose to work on the land. They—this is, the Viet Cong—jokingly said that sometimes they picked up the same person two or three times, and if they arrested the same fellow seven times they felt they had to do something about it.

I think the consensus was that the North did not hold many prisoners very long. The suggestion was made by the South that these prisoners had been liquidated, but as far as we could gather there was very little evidence of that, although there may have been some.

In the afternoon of March 16, while Mr. Sharp had a meeting with the Prime Minister of the Republic of Vietnam, General Tran Thein Kheim, Mr. Rowland, Mr. Allard and myself scheduled a meeting with the President of the Lower House, Mr. Nguyan Ba Can. We had approximately forty minutes of discussion with him, and I certainly gained the impression that this man was a hard-line South Vietnamese, very much in league with President Thieu. I suppose it is natural to say that he would not have been in his position had he not been a supporter of President Thieu. Generally speaking, this man did not make too favourable an impression on us. He was certainly hard-line, and said that he had every confidence that there would soon be an election, which they would win, and that everything would be lovely.

Our next visit was to the President of the South Vietnamese Senate, Mr. Ben Duong Duong, a cultured Chinese gentlemen, gracious, well-informed, and reasonable to talk to.

One of the problems we were concerned about, and on which we had difficulty in getting any satisfactory answers, was that concerning the prisoners on the island of Con Son, which is about 140 miles from Saigon and some 70 miles offshore. It has become infamous as the home of the tiger cages. We questioned Mr. Duong carefully about this, and he said that he and some members of the Senate had been concerned about the reports that had come out following the visit of Holmes Brown and Don Luce in February 1973.

I should say Mr. Luce had first gone to Vietnam in 1958 as a volunteer agriculturalist with the International Voluntary Services, of which he became the South Vietnamese Director until his resignation in 1967, so he had 10 years of intimate knowledge of South Vietnam. He returned to Vietnam again in 1968 for the World Council of Churches, and in 1970 he discovered the notorious tiger cages in the large South Vietnam prison at Con Son. He testified before the United States Senate and House of Representatives on prison conditions and civilian casualties and refugees in South Vietnam.

I would commend to those who have the time to read it, the book *Hostages of War—Saigon's Political Prisoners*, by Holmes Brown and Don Luce. It is in both Vietnamese and English, and for those who are bilingual it is available in either language. He presented the same evidence before the United States Senate, so it is reasonably objective, although we must always be careful in the assessments we make.

In 1972 Mr. Luce returned to Vietnam as a special correspondent for ABC. He spoke to American prisoners in Hanoi, and he studied conditions generally in the North. Since 1971 he has been Director of the Indo-China Mobile Education project. He speaks fluent Vietnamese, and because of his long experience in Vietnam he was in a good position to assess the situation. His stories about the tiger cages at Con Son shocked the world.

Mr. Duong, the President of the Senate, said it was a matter of concern to himself and his colleagues, and as a result they had sent a delegation of senators to Con Son to investigate. However, he said the delegation reported on their return that they had not been able to find the cages referred to in Mr. Luce's articles.

On Friday evening, March 16, the South Vietnamese Foreign Minister, Mr. Tran Van Lam, gave a reception and dinner for our delegation in the Caravelle Hotel, and our parliamentary members had a further opportunity to talk with one of the principal officers of the government of South Vietnam. The general consensus was that we liked Mr. Van Lam. He was a good guy, knowledgeable, reasonable in his presentation, and I think most of us could get along with him very well. He was quite a different type from Mr. Nguyan Ba Can, the President of the Lower House.

On Saturday, March 17, we commenced the day by leaving our hotel shortly after 8 a.m. to visit Tan San Nhut military base and the component now being reconstructed for the Canadian delegation headquarters. This was a great improvement over the quarters at Van Tho that we had visited the day before.

Arrangements had been made for our delegation to fly in two Volpars, which are really eight-passenger Twin Otters. We flew 110 miles southwest of Saigon into the heart of the Mekong Delta to Can Tho, a city of approximately 60,000 people and the largest on the Delta.

Perhaps some honourable senators have visited that country, but I was completely surprised to see large open fields, very similar to those we see in the vicinity of Lethbridge in southern Alberta. I presume that at another season of the year part of this area would be rice fields, but it was now dry and grey, with very little greenery. We

were interested to note that for miles and miles the fields were pockmarked with huge bomb craters where the B-52s had dropped bombs. I do not know very much regarding military matters, but it seems to me that surely no armed force would be so careless as to be caught out in miles of open fields, even if travelling at night. We could understand that they might move along railroads, streams and wooded areas, seeking cover there, but to see miles of these open fields with their huge bomb craters made us wonder why that area was bombed on such an extensive scale. It looked for all the world as if they simply dropped the bombs at random, hoping the terror effect would do some good. Certainly, no person in his right mind would visualize armies crossing those open fields and providing sitting duck targets for the bombers. One could understand bombing along roads, canals and streams, and in wooded areas which would provide cover for guerilla forces, but the bombing of the open fields to that extent seemed a good example of useless waste. Again, my military assessment may be completely wrong.

On arrival in Can Tho, we were met by our officials under the leadership of a young Canadian of German extraction, Manfred von Nostitz, who is a very bright chap and head of the civilian element of the ICCS group at Can Tho. In addition to being briefed by Mr. von Nostitz, we were briefed by army officers who were working out in the field on military inspection teams in different areas of this particular part of the country. These people gave us a very thorough briefing as to the situation they found in their districts. They described how many of them are working in territory occupied by the Viet Cong. In every case the military men were enthusiastic and competent, and were apparently being well received by the people. One man described being given a banquet by the Viet Cong, in the village for which he was responsible. So we again felt that the relationship between the military personnel and those with whom they were working was warm and friendly.

The area around Can Tho is part of what is known as District 7, one of the seven military districts into which Vietnam is divided, and in this particular area there are large forces on both sides, estimated to be at least of divisional strength. In some places the two lines are less than two hundred yards apart, and then taper away from each other as they separate.

The South Vietnamese General in charge of this area is a General Ny, and according to our authorities this man has really become a war lord in that particular area. He is so powerful and has so much control of the area that he decides whether he will carry out or reject the orders sent from Saigon. He has his own tax collection arrangements and is rapidly becoming a millionaire. In other words, he is acting pretty much on his own, and doing what he pleases.

There are frequent battles in this area and the fighting has never stopped. One example of this is the fact, our officials told us, that in the last weeks before the cease-fire the weekly casualty rate in South Vietnam was running from 90 to 105. On the other hand, every week since the cease-fire, the casualties have been running from 100 to 200, which gives some idea of the extent to which the fighting is still going on. One of our officers discribed the situation in a small town in the district for which he was responsible. He said that in one night nine helicopters loaded with dead and wounded came in to his particular area. He said this had been going on for some time and although he had no idea how many casualties there had been, they were heavy.

• (1540)

In trying to get an assessment from our boys in the field as to what was likely to happen, we gained the impression that the situation might remain pretty much as it is until after the American pull-out on March 30, which is tomorrow. But once the Americans were out of the way, it was more than likely that the fighting would re-escalate. One reason we frequently heard for the failure of the ICCS inspection teams to get in the field was that the PRG had not co-operated in providing their component of the inspection teams.

We discussed this with General Han Tra, who was in charge of the military operation in South Vietnam. He said it was true that in many cases the PRG had not been able to provide their quota of the inspection teams, but the reason was very simple. He said that when the cease-fire was arranged on January 27—or really January 28, because of the time differential—he was asked to designate a pick-up site for cease-fire supervisors from his district. He had forwarded advice on the location of the pick-up site, and the advice had no sooner been received in the RVN headquarters than the site was shelled and bombed from the air. He said that to his knowledge this had happened on 13 different occasions, and on three of those occasions he had been personally involved. The first occasion was near Da Lak, where the pick-up site was in the forest. Two PRG soldiers were killed and a number wounded. On the other two occasions in which he personally was involved—one was at Pleiku and the other at Phan Thiet—the sites were again shelled and it was impossible for the delegates to be picked up. He indicated that this had happened 13 times, that this was one of the reasons why there had not been the co-operation expected.

I must say that what this man said seemed to ring true. It simply bears out the fact that there are violations on both sides, and it is my impression that there are just as many violations by the Republic of Vietnam as by the PRG and the North Vietnamese.

Mr. Rowland and I made a point of having discussions with the Polish and Hungarian members of the ICCS. We first met the Polish members, consisting of the Polish Ambassador, Wasilowski; a Polish General, Szucks; and a political adviser. When questioning them, there seemed to be no doubt that they were taking what might be called a hard-nosed ideological or political line. If there was a call for an investigation of an incident which they felt might reflect on the PRG or the North Vietnamese, they were usually unlikely to co-operate. They gave one the impression of hewing to the hard line and being unwilling to budge.

In a similar interview, the Hungarian delegation were much more relaxed. The ambassador was genial, and I was told by our people that they were excellent social companions—and I believe it. The Hungarian ambassador and general were very reasonable. The tough person in

this delegation was the political adviser, as is often the case. He had been around. He had been at the United Nations for years, he had been ambassador in various places, and he hewed to the hard political line on every matter discussed.

We frequently asked these people for their assessment of what was likely to happen with respect to the elections provided for in the peace agreement. The South Vietnamese had told us that they welcome an election—the sooner the better—and they were confident they could win it. When we asked them what was likely to happen if, due to the uncertainties of the times, they did not win it, I am afraid we did not get very satisfactory answers. On asking the Poles and Hungarians the same question, we received the same answer. They stated that if the terms of the Paris Agreement were carried out to the letter, and if the election were conducted in a democratic and objective manner, they had every confidence that justice would be done. We could never get them to define precisely what they meant by "justice," whether for the North or South.

Pursuing the question, we asked them, "All right, suppose there is an accident and justice, according to your definition, is not done; what will happen then?" Again we received no specific answers. It is rather interesting to note that we posed this question to everyone we met and received relatively the same answer, or lack of answer.

The Canadian delegation felt that in view of the situation it had to get the idea across that Canada would not stay unless we could be assured that some definite progress was being made. In each case, to the Hungarians, the Poles, the South Vietnamese, and the North Vietnamese, we made the same statement: "Make no mistake, and do not be under any illusion, the Canadians are here only to do their job, and to do it as objectively as they can. They are going to report on what they see, regardless of whether you like it or not. Canada will not stay unless it can be assured that some progress is being made." We felt that the one message that we had to get across was that they should not take it for granted that Canada would be stuck there in the same situation that existed for 19 years under the old ICSC.

There are about 600,000 refugees from the Northern part of Vietnam in and around Saigon. We asked the South Vietnamese representatives what was happening with respect to these people, whether they were being allowed to go back to their homes since the cease-fire; and the answer was no. They said that some of them had obtained work around Saigon, and they did not want to go back to their homes under the PRG. They were afraid that if they did go back, many would be indoctrinated by the PRG and would vote with the PRG for integration of North and South Vietnam. Therefore, they were not going to let them go back.

In other words, the whole situation is fluid. The terms of the cease-fire are not being carried out; the refugees are not being allowed to return to their homes in large numbers; civilian prisoners are not being released to the extent called for under the terms of the agreement, and there is some evidence that for the past three months the South Vietnamese military and police authorities have been going through their lists and re-registering political prisoners as criminal prisoners, in order that they can be held indefinitely without authority.

As far as we could ascertain, the situation regarding prisoners needs to be looked at with pressing urgency. There is a fear that many of these people will be assassinated or destroyed in the prisons, and so far few practical steps have been taken to get at the heart of the matter.

It will be recalled that General Wrinch, the head of the Canadian Red Cross, went to Vietnam in the hope of visiting the prisons as part of a mandate under the cease-fire agreement, but because he could not get anywhere he returned home.

By Saturday afternoon, March 17, the Canadian delegation had completed 48 very intensive and busy hours in Saigon and Can Tho. We then took our departure for Vientiane in Laos. As evidence that we paid some regard to the realities of the situation, instead of flying directly from Saigon to Vientiane we circled over the ocean and approached Vientiane by an indirect route in order to avoid, as far as possible, flying over Viet Cong occupied territory. Every day helicopters and planes had been fired on, and this situation continues. This was one case where the official Canadian delegation considered discretion the better part of valour, and General Bob Christie, who was in charge of our Boeing 707 and our travel arrangements, said he would not risk taking the group over an area where an accident might occur.

Vientiane is less than one hour's flight from Saigon, which gives some idea of the distance. We arrived in a temperature of 91 degrees, and were met by the usual official welcoming party. The minister, Mr. Sharp, made a statement in a brief interview with the press, and then proceeded to an interview with the Prime Minister. The rest of us were taken to a villa for a briefing, and arrangements were made for Mr. Doug Rowland and me to meet the President of the Vientiane Senate—half of which, incidentally, is elected and half appointed—and a member of the elected House of Assembly.

May I say a word or two about Laos? It is a landlocked country of 91,000 square miles, in the middle of the Indochina Peninsula. It averages about 150 to 200 miles in width, and in length from north to south is about 700 miles. Vientiane is situated on the Mekong River, and across the river to the North is Thailand in which live many more Laotians than in Laos itself. The population of Laos is just under three million, and comprises a mixture of ethnic groups, which is common in much of that part of Indochina.

Laos achieved its independence in 1953, since when there have been over 20 years of continuous warfare. This coupled with previous colonial neglect has resulted in an economy which is probably the least developed in Asia, and perhaps in the world. The country is said to be rich in natural resources, and it is certainly capable of surplus food production. However, it has a subsistent agricultural economy which is dependent on extensive external assistance for survival. By any economic measurement one may care to apply, Laos is distressingly poorly developed, and would be totally unable to support its population should foreign aid be reduced.

• (1550)

Agriculture is engaged in by over 95 per cent of the population, but the methods used are primitive, the result being the lowest acreage yields in Asia. Modern industry is virtually non-existent, and the only traditional industries are local crafts.

The International Commission for Supervision and Control in Laos was initially established in 1954 as a result of the nine-nation Geneva Conference which was held subsequent to the French military defeat at Dien Bien Phu. As in Vietnam and Cambodia, the commission in Laos was composed of delegations from Canada, India and Poland, with the Indian commissioner acting as chairman of the commission and secretary-general of the international secretariat. The Laos Commission was adjourned *sine die* in May 1958 when a political settlement among the three major factions in Laos seemed to have been achieved through national elections. When civil war broke out again among the rightists, neutralists and Pathet Lao forces after the 1958 settlement, another international conference specifically on Laos was convened in Geneva in 1961-62. As a result of that conference, the Laos Commission was reconvened, and the 14 nations attending the second Geneva Conference were made responsible for the costs of the reconvened commission.

During the French Indochina war, the rebel Pathet Lao forces, led by Prince Souphanouvong, collaborated with the Vietminh, the precursors of the Viet Cong. The 1954 Geneva Agreement provided for the integration of the Pathet Lao forces into the united administration which would govern all Laos. Agreement on the ways of effecting this integration was reached in 1957, but later broke down. In 1960 elections brought in a right-wing government. This government was overthrown in late 1960 in a coup d'état led by a neutralist, Captain Kong Le. The new government, under Prince Souvanna Phouma, was opposed by one half of the army led by the right-wing General, Phoumi Nosavan, who re-took Vientiane in December 1960, and set up a government under Prince Boun Oum.

Souvanna Phouma and Kong Le retired to Khang Khay on the eastern edge of the Plain of Jars and joined in a temporary and uneasy alliance with the Pathet Lao. With their help and material support from communist countries, they were able to counterattack and compel the government forces to agree to a cease-fire.

In June 1962 at Zurich, the three princes finally agreed on a coalition government under Souvanna Phouma, and a new Geneva Agreement was signed by the 14-nation Geneva Conference on July 23. Since then no real progress has been made towards unification. The Pathet Lao have maintained their separate administrations over the areas under their control. In 1963, the Pathet Lao members in the coalition cabinet left Vientiane and have remained in Pathet Lao territory ever since.

Since 1963 fighting has continued, and it increased in tempo from that time until the cease-fire agreement was reached in Vietnam on January 28. This agreement appears to have contributed to the conclusion of a cease-fire agreement arranged in Laos on February 21, 1973.

In our discussions with the President of the Senate and the President of the elected House of Assembly, we asked how much of the country was occupied by the Pathet Lao, to which they replied two thirds. We also inquired as to how much of the population was in Pathet Lao country and they indicated one third, with the remaining two-thirds being in the area governed by the Royal Laotian Government surrounding Vientiane. We were told they had about 70,000 soldiers. They also indicated that in relation to their size they should not have more than 18,000, and that as a result the army was taking too much of the budget. On inquiring as to the number of Pathet Lao or North Vietnamese forces in Laos, we were given figures that ran from a minimum of 30,000 to a maximum of 70,000. Of course, the North Vietnamese do not admit that they have any troops there at all, but there is no question but that they are supporting the Pathet Lao.

In other words, we have in the Pathet Lao occupied territory a similar relationship in Laos to that of the PRG in South Vietnam. These are communist supported troops and personnel, and they operate with the same determination and discipline as they do in all of the communist occupied territories in Indochina countries. In the discussion with the representative of the Senate and the House of Assembly, there was one plea: "Please, Canada, do not leave us alone. Please do not pull out of the International Commission of Control and Supervision, and do everything you can to bring about an evacuation of the occupying forces."

On Saturday evening, March 17, the Minister of Public Works, Mr. Ngon Sananikone, gave a banquet for the Canadian party at the Lang Xang Hotel—and that is pronounced "Lang Sang"—where we had an opportunity to meet the Laotian officials. Mr. Sananikone sent a message to me saying that he would like to have some further discussion with me. The banquet finished at 11 o'clock, at which time we went to a private room upstairs and continued our talk until after midnight. Again his plea was the same: "Please, Canada, don't withdraw from the Control Commission."

The following morning I had 40 minutes with the Indian Ambassador, Mr. N. J. Dhamiya, who is chairman of the International Control Commission in Laos. He, too, repeated that under no circumstances should Canada withdraw. Later that same morning, while waiting for the fog to rise in Hanoi, I had an hour with the Laotian Ambassador to the United Nations, a very gentle, kindly man who has been his government's ambassador to various countries. His plea again was: "Please, Canada, don't withdraw from the International Control Commission. This is the only way we have of getting our case put before the world."

The Laotians are a gentle, easy-going people, very different from the Vietnamese. One could not help but feel sad at knowing that these people feel isolated and alone, squashed between the Thais on the one side, and the Pathet Lao and North Vietnamese on the other. Their situation does not look very hopeful, because the Pathet Lao obviously have the discipline and the power, whereas the will to resist in Laos is not particularly strong.

In Vientiane we were briefed by the head of the Canadian delegation to the International Commission of Control

and Supervision, Mr. David Jackson, and his senior military advisor, Major General C. L. Kirby, and they confirmed what we had been told by the Vietnamese.

There was a certain air of excitement among the Canadians about the possibility of visiting Hanoi. This was heightened when, on arrival at the airport at 8.15 on Sunday morning, March 18, we were advised that there would be a delay of one and a half hours because Hanoi was fogged in. At the time, we were not quite sure whether the fog was a diplomatic one or a real one. For a time there were some suggestions that this might be the greatest disappointment of the whole trip, and some consideration was given to what would be an alternative landing place were we unable to land in Hanoi. The Philippines and Hong Kong were suggested. However, by about 10 o'clock we were advised that we could take off and the chances were, though we were not yet sure, that we could land in Hanoi.

As a matter of fact, one of the most exciting things on the trip was the landing at Hanoi. The clouds were down around our ankles. It was one of the lowest ceilings I have ever seen while landing in a Boeing 707, and added to that was the fact that there was a runway of only 6,400 feet, at least 8,000 feet is needed to accommodate an aircraft of this size. In addition to the runway being only 6,400 feet, it was pockmarked with bomb craters which had only recently been filled in and consequently the ground was still soft. We were not quite sure how the airplane would react. I must say that never in my life, in all the flying I have done, has a pilot stopped such a large, heavily loaded airplane in such a short distance. He stopped it so short and so abruptly that the force threw us up against the seats ahead.

It was even more difficult taking off. Here was a big, heavily loaded aircraft on a 6,400-foot runway and everyone wondered whether Colonel Hall, the pilot, would be able to get it off the ground. As we tore down that runway in the gathering dusk of Sunday evening, March 18, a lot of people had their fingers crossed and were praying that we would make it. At the end of the runway was a swamp which would not have been a very nice place for us to find ourselves had we been unable to take off. The plane lifted into the air with less than 100 feet of runway left—indeed, there may have been only 50 feet. I certainly take my hat off to the pilots we had on that trip. Colonel Hall did a masterful job.

In Hanoi, the bombing had devastated wide areas around the airport, the railway station, and the factories. I have never seen so much tangled and twisted metal in my life. Huge locomotives, railway cars, trucks, trailers, and so forth, were just great masses of twisted steel. This is the result of the B-52s. Then in some of the poorer quarters, which are close to the hospital which was bombed, the houses were just a mass of rubble. However, the proportion of bomb-damaged area to the total was relatively small, and this was surprising. They do not seem to anticipate the danger of any further bombing, and they have been filling in some of the bomb shelters. The most interesting bomb shelters I saw were concrete sections of what could be culverts, two feet in diameter, which are sunk into the ground about five feet, and which project about two feet above ground. These are large enough for one person to jump into, should there be a sudden blast, or the danger of being hit by flying shrapnel. They are a very simple, inexpensive type of shelter, and they are placed about 10 feet apart on miles of city streets. One of the interesting things about Hanoi is that it seems to have returned to a peacetime basis.

• (1600)

We made a point of asking everyone we met what would happen if, as, and when an election were held in South Vietnam. We got no satisfactory answers. However, not to be deterred from getting an answer to this question, in a meeting the delegation had with Prime Minister Phan Van Dong, following the luncheon at which Mr. Sharp was present, I again asked the same question. The Prime Minister answered it in part, using much the same language we had heard before, saying that the North Vietnamese and the PRG would be quite content if the Paris Agreement was carried out to the letter, and the election held strictly in accordance with the rules. If democratic principles were followed objectively, the North Vietnamese were confident that justice would be done. Again, when asked what they meant by "justice," the Prime Minister replied that he was satisfied they could depend on the conscience of the people to make the right decisions, and they had nothing to fear.

One of the things that came through loud and clear in our discussions with the North Vietnamese, not only with the Foreign Minister but with the Prime Minister, and later with a delegation of the Chamber of Deputies, was the supreme confidence these people have in themselves. They are confident they have won the war, that they are the victors, and that their will shall prevail. I have never seen a greater example of confidence, determination, and unity of purpose. These people are able, determined, and competent.

Hanoi was a pleasant suprise. The French colonial influence was evident everywhere in the way the city is laid out, with its beautiful tree-lined streets, wide boulevards and parks. Many of the buildings have the elegance of the French colonial era at its best. The city is in much better shape than Saigon. It is much cleaner, has better buildings, and the buildings are less run down. Altogether, the impression made by Hanoi was of a very pleasant city and a very friendly people. They were much friendlier than the people in Saigon, and, as we soon discovered, the quality of leadership in Hanoi seemed superior to that of the South.

During the luncheon given that day I had the privilege of sitting next to the Foreign Minister, Mr. Nguyen Dui Trinh, who is a general. The opportunity to have a discussion for about an hour and a half with the Foreign Minister was one I deeply appreciated, and it gave me a further opportunity to gain some insight into the quality of leadership the North Vietnamese have.

Mr. Trinh gives the impression of being a quiet, well-educated and competent man, supremely confident in everything he does. I put this question to him: "All right, you talk about elections in South Vietnam; if they do not go the way you think they will, what will happen?" There was no answer. Mr. Rowland, who was sitting on the other side of him one place removed, asked the same question

about five minutes later and got the same reaction—no answer. Mr. Trinh just ignored the question.

Hon. Mr. Choquette: That was the first time they did not answer your questions, was it not?

Hon. Mr. Cameron: Well, they were all consistent in this respect on that particular issue.

Following the luncheon the delegation had a meeting with the Prime Minister, Mr. Pham Van Dong, and here again it was very interesting to see the type of personality guiding the destinies of this alert and vigorous nation. Here was a small, frail, Chinese-type man of, I would say, 60 to 65 years of age, who was just as tough as nails. Again the feeling of complete confidence in their ability to achieve their objectives came through loud and clear. When Mr. Sharp suggested to Mr. Van Dong that one of the things Canada was doing on this trip was assessing the needs for rehabilitation, and assured him that Canada, in keeping with its national policy of assisting developing countries wherever it could, would be glad to extend some assistance in the rebuilding and rehabilitation of North Vietnam, the Prime Minister said that they appreciated the attitude of the Canadian government and would let Canada know if, as, and when they wanted any assistance.

Following the meeting with the Prime Minister, Mr. Rowland, Mr. Allard and I, and some of our foreign service staff, had a meeting with some of the deputies of the North Vietnamese parliament. Here again were three men who were very articulate, very confident, and quite sure of where they were going, and how they were going to get there. These gentlemen repeated the refrain we had heard so often when we asked the question about the likely outcome of free elections in South Vietnam. They said that if the terms of the Paris Agreement were carried out to the letter, if the democratic process was carried out with objectivity, justice would be done and they had nothing to fear.

Mr. Sharp asked the Prime Minister, Mr. Van Dong, which had the higher priority as far as the North Vietnamese were concerned—peace, or the reunification of North and South Vietnam. The reply was typical. Mr. Van Dong said the objectives were the same and indivisible. From this almost universal response from the PRG and the Democratic Republic of North Vietnam, it is quite evident that these people are determined to pursue the reunification of Vietnam, first through the democratic process of free elections, if possible, and, if that is not successful, undoubtedly other means will be used.

If I may sum up my impressions of the visit, I would do so briefly as follows:

1. The visit of the Canadian Parliamentary Delegation and the officers of the Department of External Affairs was very much in the interests of Canada. There is no substitute for seeing the countries, meeting the leaders and getting the feel of the situation at first hand. Related to this, of course, there would be no harm in bringing our Ambassador, Mr. Michel Gauvin, and General McAlpine home to appear before the Foreign Affairs Committee, but this would not be an effective substitute for on-the-spot investigation.

2. The Canadian delegation, from our Ambassador, through every member of his staff, to the military personnel under General McAlpine, have done a first-rate job They have made the whole project of the ICCS viable up to the present time. It would be less than realistic, however, to realize that so far all they have done is to lay a very efficient and effective groundwork for a program of peace supervision that could happen.

3. The Canadians have given the only viability that exists in the International Commission of Control and Supervision. They have provided the initiative, the organizational drive, the secretariat, and they have pursued the primary objective of setting up a supervision and control organization with dispatch, courage and efficiency.

4. It would be unrealistic not to recognize that the commission is not working effectively at the present time. We were advised at the time we were there that 7,000 violations of the cease-fire had been committed—now that number is 14,000. No assessment was given as to who was responsible for most of these violations, but it was quite evident the violations were on both sides. Of those 7,000 violations, at the time we were there 26 had been investigated, and since then 31, but on only two has a unanimous report been made. The commission was being divided, with Canada and Indonesia on one side, and Poland and Hungary on the other. Both the Poles and the Hungarians take the position that it is not necessary for the commission to be active, that it can play a passive role and achieve its results by being passive, as the political adviser of the Hungarian delegation said in his closing remarks to us. He said sometimes the greatest progress is made by not being active.

5. It should be recognized that when the cease-fire went into effect on January 27 Vietnam time, January 28 our time, it had the effect of dampening down the military activity to quite an extent, and enabled the Americans to start pulling out. But it would be naïve to think that the fighting ceased. As I indicated earlier, the weekly casualty toll has been higher since the cease-fire than it was in the few weeks prior to it.

6. The main benefits of the International Control Commission up to the present time have been in its ability to supervise the release of military prisoners, and to supervise the withdrawal of American forces. This has certainly been a very positive effect.

7. What will happen after the Americans pull out on Friday, March 30, is a matter of conjecture; but the expectation is that, while both sides profess a willingness to face free elections, it is going to be extremely difficult to assure the carrying out of free, democratic elections in the present climate in South Vietnam. There are good grounds for fearing that there may be interference with the democratic process by both the South and North Vietnamese forces, and this is easily done in the sort of leopard-skin pattern of occupation of the territory.

8. What will happen in the event the South were to win the so-called democratic free elections and establish the National Council of Reconciliation and Concord? Personally, I would feel that unless the PRG, or Viet Cong, elected a very substantial proportion of the members, the danger of an outbreak of renewed fighting would be very real. In the event that fighting does break out on an

extended scale after the elections, we would be faced with a very bitter civil war. That is, after all, only an extension of what has been going on for the last 24 years.

9. What of the future of Canada's participation in the International Commission of Control and Supervision? There is no question in my mind that Canada's participation in the International Commission of Control and Supervision has had a beneficial effect, even though it has failed to carry out its main mission. The very fact that Canada has been there and has followed its open-mouth policy of disclosing the reasons why the commission was not working has had a beneficial effect.

Secondly, without exception, all of the belligerents—the United States, South Vietnam, the PRG and North Vietnam—want Canada to stay. But I detected a feeling on the part of the North Vietnamese that, while they would like Canada to stay, they were quite prepared to cope with the situation which might develop if Canada withdrew. Certainly, if Canada withdrew there is little evidence to indicate that the other three present powers on the commission would take very strong initiatives in carrying out the control commission's role. My expectation would be that they would assume a passive role, and not much would happen.

Thirdly, if Canada pulled out, it is suggested that some other power might take her place. My estimate is that it would be very difficult to get another power with the prestige of Canada to step in and fill the role.

• (1610)

Finally, in my judgment, the Canadian participation has been valuable, not only to the situation in South Vietnam, but to Canada. Canada has gained an enviable reputation for being willing to go the extra mile in assisting peacekeeping operations anywhere in the world. This is probably one of the most difficult tasks she has ever faced, but it is my belief that, had it not been for Canada's participation to the extent she has at the present time, we might have had less success in the withdrawal of forces and the surrender of prisoners than we have had up to the present time.

10. This brings me to the final point: What should Canada's position be? My view is that Canada has exercised, and is exercising, a positive role in the total international situation at the present time, and that we should not lose sight of this. As far as the actual effectiveness of the International Commission of Control and Supervision is concerned, undoubtedly this has been a failure so far in supervising the cease-fire. But we have to contemplate what the situation might be if Canada withdrew. Certainly, it would add to the negative factors in the total Vietnam situation. It is essential that Canada continue to make clear, as she has already done, that she is not going to be inveigled into the kind of situation she found herself in for 19 long and weary years in the old ICSC set up at the Geneva Conference in 1954. That operation was futile, it did not do anything for Canada, nor anything to prevent the expansion of hostilities.

As a consequence of this the Canadian delegation took every occasion to impress on the Poles, the Hungarians, the Indonesians, the Vietnamese generals, and the deputies in the South Vietnamese parliament and the North Vietnamese parliament, that Canada would no longer countenance an open-ended commitment to stay in Vietnam; that they must be under no illusions that unless positive progress could be demonstrated within given periods of time, Canada would certainly withdraw.

Mr. Rowland has suggested, and the NDP has agreed, that Canada should withdraw at the end of 90 days; that is, June 30. Mr. Sharp stated on Wednesday that on the conclusion of the 60-day initial period, which will end on March 30 he would be prepared to consider a further limited extension of 60 days, and possibly a further 30 after that if progress was still being made. But as an observer who used every available minute and opportunity to assess the situation, my view would be that after March 30 Canada should offer an extension, of certainly not less than 30 days, and possibly 60 days—and that is what Mr. Sharp has done. At the same time, we should announce that if some positive progress in the work of the ICCS could be demonstrated in that time, even though it be somewhat less than we would like to see, Canada might be prepared to make a further extension of 30, 60 or even 90 days, on the express understanding that positive progress must be demonstrated in that time.

In the event that there is no such demonstration of progress in the work of the ICCS, then there should be no question but that Canada should withdraw. This position is somewhat less rigid and has more flexibility than that taken by the NDP, but it is the kind of position which is defensible on the basis of the information we were able to gather. Mr. Sharp confirmed this approach in his speech on Wednesday.

The foregoing are my general conclusions with respect to the mission. My final word must be a plea to the conscience of the world to mobilize the full force of world public opinion to find some way of bringing pressure to bear on all belligerents, but particularly on South Vietnam and the United States, to carry out the terms of the Paris Agreement with respect to civilian and political prisoners. It is estimated that there are over 200,000 prisoners rotting in the jails of South Vietnam. The majority of these are not communists—they are teachers, priests and college students who committed the crime, in the eyes of the Thieu government, of demonstrating for peace, or they protested the arbitrary use of a despotic police power and as a consequence they were thrown into jail without trial. Shoeshine boys were thrown into jail because they refused to pay tribute to the local police force.

Prisoners who have been released or escaped have told tales of the horror of beatings and torture. Recent news reports coming from Amnesty International tell of the finding of hundreds of bodies floating on the sea off the coast of South Vietnam. This suggests that the Thieu regime is liquidating prisoners in a wholesale manner.

It is incumbent on the humanitarian peoples of the world to demand the right to investigate the truth of these persistent stories. It is particularly incumbent on the United States, one of the four signatory powers of the Paris Peace Agreement, to bring pressure on President Thieu, who would not last a month without American support, to permit teams from the International Red Cross to have access to the jails and the prison cages of

Con Son and other places, and the same should apply to North Vietnam.

Failure to get some international action can result only in prolonging the war, increasing the hatred, and reducing the prospects of a viable peace in Indochina.

Hon. Mr. Lang: Might I ask Senator Cameron if he had an opportunity to find out what political prisoners may be held by North Vietnam?

Hon. Mr. Cameron: No.

Hon. Mr. Lang: Did you ask them if they had such people?

Hon. Mr. Cameron: Yes; they admitted they have. But you must remember that one of the difficulties of the mission was that we were there from about 11 o'clock in the morning until about 6.30 p.m. and we just did not have time. We should have had much more time there to pursue those matters with the same intent of inquiry as we had in the South, but it was not possible in that short period of time. I am sorry it was not the case.

Hon. Mrs. Quart: May I ask Senator Cameron a question on this point? About ten days ago I read that two of the members of the Hungarian delegation had defected. Did you hear anything about it when you were there?

Hon. Mr. Cameron: No, we did not.

Hon. Mrs. Quart: Considerable publicity was given to it. May I put another question? Were you impressed by Ambassador Michel Gauvin, and the way he is handling the situation there?

Hon. Mr. Cameron: We were very much impressed by Ambassador Gauvin. He is doing a big job for Canada. He is an experienced diplomat, he has a sense of humour, he is suave and he is tough. He has done a great job.

Hon. Mr. Choquette: Hear, hear.

Hon. Mrs. Quart: He was my adviser when I was on the United Nations Commission on the Status of Women in Buenos Aires. Apart from that, I think all Quebecers are very happy that he is a Quebec boy.

Hon. Mr. Lamontagne: He comes from the Faculty of Social Science at Laval University.

Hon. Mrs. Quart: His father was a wonderful bridge player, and pretty tough, and he is a bridge builder.

On motion of Senator Molgat, debate adjourned.

The Senate adjourned during pleasure.

At 5.45 the sitting was resumed.

The Senate adjourned during pleasure.

• (1750)

ROYAL ASSENT

The Honourable D. C. Abbott, P.C., Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act respecting the Electoral Boundaries Readjustment Act.

An Act respecting the Electoral Boundaries Readjustment Act.

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, 1973.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 3, at 8 p.m.

THE SENATE

Tuesday, April 3, 1973

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

Prayers.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

NOTICES OF MOTION FOR PRODUCTION OF PAPERS REFERRED TO JOINT COMMITTEE

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that the document entitled "Notices of Motion for the Production of Papers," tabled March 15, 1973, has been referred to the Standing Joint Committee on Regulations and other Statutory Instruments.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report on operations under the Bretton Woods Agreements Act and the International Development Association Act for the year ended December 31, 1972, pursuant to section 7 of the first-mentioned act, chapter B-9, and section 5 of the latter act, chapter I-21, R.S.C., 1970.

Report of the Canadian Transport Commission for the year ended December 31, 1972, pursuant to section 28(2) of the National Transportation Act, chapter N-17, R.S.C., 1970

Report of the Department of Energy, Mines and Resources for the fiscal year ended March 31, 1972, pursuant to section 5 of the Department of Energy, Mines and Resources Act, chapter E-6, R.S.C., 1970

Report of the Custodian of Enemy Property for the year ended December 31, 1972, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947.

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

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

Copies of a Two-Price Wheat Statement, dated March 30, 1973, issued by the Minister responsible for The Canadian Wheat Board.

Report of agreements made under the Agricultural Products Co-operative Marketing Act for the fiscal year ended March 31, 1973, pursuant to section 7 of the said act, chapter A-6, 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, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

LUIS ECHEVERRIA PRESIDENT OF MEXICO

ADDRESS TO MEMBERS OF BOTH HOUSES

Hon. Leopold Langlois: Honourable senators, I would ask leave that the address of the President of Mexico, His Excellency Luis Echeverria, delivered to members of both Houses of Parliament on Friday, March 30, 1973, together with the introductory remarks by the Honourable the Speaker of the House of Commons, the speech of welcome by the Right Honourable the Prime Minister of Canada and the speech of the Honourable the Speaker of the Senate thanking the President, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

Hon. Senators: Agreed.

(*For text of addresses see appendix "A", pp. 452-460.*)

HEALTH, WELFARE AND SCIENCE

ADDITION TO COMMITTEE MEMBERSHIP

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That the name of the Honourable Senator Argue be added to the list of senators serving on the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

OLD AGE SECURITY ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Azellus Denis moved the second reading of Bill C-147, to amend the Old Age Security Act.

Hon. Mr. Flynn: I hope the honourable senator has no personal interest in this bill.

Hon. Azellus Denis: Perhaps my honourable friend is not rich enough, but he would be richer if he became a Liberal.

[*Translation*]

Honourable senators, on several occasions the fate of our elders, some of them among ourselves, has been improved one way or the other by the governments that

followed one another over a period of more than twenty years—

• (2010)

[*English*]

Hon. Mr. Croll: If I may interrupt my friend for a moment, I would point out that there is no translation coming through the system.

Hon. Mr. Denis: That is too bad. You don't know what you are missing. Perhaps I should start all over again.

Some Hon. Senators: Dispense.

The Hon. the Speaker: The translation system is now working. Perhaps Senator Denis would start again.

Hon. Mr. Langlois: This is worth while.

[*Translation*]

Hon. Mr. Denis: Honourable senators, on several occasions the plight of our older citizens, including some of us, has been improved in one way or another by succeeding governments for more than 20 years: increase in pensions, lowering of the qualifying age, guaranteed income supplement for those who have no other source of income, escalation of pensions to the cost of living, and several other very beneficial pieces of legislation.

The welfare of our older citizens has always been a concern for all of us, as Canadians, whatever may be the party we belong to or have belonged to. The Liberal party has done more in this area—

[*English*]

Hon. Mr. Flynn: On a point of order, I would suggest that the honourable senator should hide his vest when he says that.

Hon. Mr. Denis: You know, red is the colour associated with the Liberal Party, and even Liberals are in favour of old age pensions.

[*Translation*]

The Liberal party has done more in this area—I am going to please my friends opposite—probably because they remained in office longer than others—

Hon. Mr. Langlois: This is why they have been in office!

Hon. Mr. Denis: —and no party can claim to be the only one responsible for the ever-improving situation of our elders.

It is also wrong to assert—as I understand it was said in the other place—that their situation was improved only when elections were forthcoming.

Hon. Mr. Asselin: Again they are not far off this time.

Hon. Mr. Denis: There were, for instance, improvements in this area in 1968, 1969, 1970, 1971, 1972 and this year too with Bill C-147 which is now before us. As far as I know, there has not been an election every one of those years, honourable senators.

There were some honourable members from all parties who wanted to raise the basic pension to $125 or $150; others wanted the qualifying age lowered to 60 and the spouse who had not reached age 65, to be granted a pension.

All these suggestions are generous and commendable and, as the Minister of National Health and Welfare has admitted himself, far from being dismissed they are being carefully considered. The minister added that the question was raised at the last federal provincial conference; that, in addition, it was agreed not to change for the time being the structure of that pension; that a similar conference will be held during the spring when the federal government in consultation with the provinces will examine the social legislation as a whole because it must be remembered that in addition to our older people there are other categories of people in need such as deserted mothers with children, the disabled and other people on welfare totalling over two million people.

Surely, the question of priorities and availabilities of all governments will be discussed at that conference, as well as the needs of all categories of people on welfare. I express the wish that that conference will be a success both from the standpoint of agreement and mutual understanding between our governments and justice and equity for our citizens in need. In fact, it is the application of the policy of this government to make the maximum use of consultation and agreement with the provinces, as you have seen in the last Speech from the Throne over a dozen times.

Hon. Mr. Flynn: In a speech made not too long ago.

Hon. Mr. Denis: That is why the government in this bill has not seen fit at this time to change the structure of the pension plan for our elders, limiting itself to an increase which was very much needed.

[*English*]

Honourable senators, going back only to January 1971, the basic monthly pension had increased to $80, and the guaranteed income supplement had gone to $33.61. The pension stayed at $80 until May 1972, when it was increased to $82.88 a month because of the price index retroactive to January 1972. The maximum guaranteed income supplement went to $55 for a single pensioner, and $47.50 each for a married couple, both of whom are pensioners, in April 1971. These rates were raised to $57.70 and $50.05 respectively in April 1972, and $67.12 and $59.62 respectively in May 1972, also retroactive to January 1972.

That is a brief history of the old age security program in Canada over the last two years. The proposal before us today is a further important step in the improvement of the financial situation of Canada's senior citizens.

The changes provided in Bill C-147 may be summarized as follows: First of all, the present flat rate basic pension is increased from the current $82.88 a month for each pensioner, or $165.76 for a married couple who are both pensioners, to $100 a month for each pensioner or $200 for a married couple. The present combined benefits for those entitled to the pension and the maximum guaranteed income supplement are $150 for a single pensioner, and $285 for a married couple. These benefits are being

increased to $170.14 for a single person and $324.60 for a married couple, as a result of the raising of the basic pension as well as the automatic escalation of the guaranteed income supplement on the basis of the increase in the consumer price index. The latter is already embodied in the old age security legislation.

• (2020)

This means that effective April 1973, the pension will increase by $17.12 a month, or $205 a year, which is a very substantial increase indeed. It is an increase of more than 20 per cent over the current rate. Further escalation of the pension as well as of the guaranteed income supplement will occur in April 1974, and each year thereafter, in line with increases in the cost of living.

As I have said, the effective date for the improvement is April 1973, the beginning of the new fiscal year. The basic framework of the act remains unchanged. There is, however, one further procedural change in the bill. At present, a pensioner's entitlement to the guaranteed income supplement is calculated on his or her income in the preceding year, computed in accordance with the Income Tax Act, with the exception of any benefits from the Canada Pension Plan or the Quebec Pension Plan. Such benefits received in the current year are added to the previous year's income from other sources. Under the terms of the bill now before us, all income received in the previous year will be taken into account in calculating supplementary entitlement, including benefits from the Canada Pension Plan or the Quebec Pension Plan. As a result, confusion which resulted from the present arrangement will be avoided.

Minimum annual incomes of $2,040 for single pensioners and $3,895 for married couples, both pensioners, will be guaranteed to persons, 65 and over, with no other source of income.

All these provisions and increases are surely a gesture of gratitude to people who have given themselves to the building of this country, and who now need and deserve something in return. At least, this will be done in the knowledge that our elderly have already been granted what is, after all, no more than their due.

[*Translation*]

Honourable senators, I shall now quote some statistics, forecasts, and other figures that will help us briefly to analyze and assess the probable implications of the passing of the bill before us now.

In round figures, the number of people aged 65 and over is 1,800,000, which can be divided into three categories: 500,000 who have no other income; 550,000 who will receive part of the guaranteed income supplement, since they are getting a small income from another source; and 750,000 who will only receive the basic pension of $100 a month, part of which they will be paying back to the state as taxes: these are the people who have been able to save more, or who have been luckier than their fellows.

In this way, all our elders will receive a monthly cheque that they deserve and, thanks to the universal character of this measure, each of them can preserve his pride and self-respect.

The cost of the present increase is $300,000,000. The cost of pension at 65 is $2,960,000,000, which is 15.3 per cent of the federal budget, or more than half of the health estimates.

Hon. Mr. Flynn: How much will come back in taxes? You said that about a third of them would be paying part of it back in taxes; do you have these figures?

Hon. Mr. Denis: It all depends, of course, on their income, according to the income tax scale.

Hon. Mr. Flynn: Agreed. But I thought, since you have given us so many figures, that you might also have statistics on the revenue that the government gets back from those who pay taxes on their pension.

Hon. Mr. Denis: I thought I had quoted enough figures to keep honourable senators satisfied.

Hon. Mr. Choquette: To keep up the confusion.

Hon. Mr. Flynn: We are never satisfied.

Hon. Mr. Denis: But it is pretty easy for the honourable Leader of the Opposition to work this out. If, for example, his federal income tax rate is 35 per cent, then he will pay back to the government about one third of the pension he is getting. And, if he pays 20 to 25 per cent to his province, that is another 25 per cent. Thus, 25 plus 35 is 60 per cent.

Hon. Mr. Flynn: I thank you.

Hon. Mr. Denis: Has the honourable senator enough of figures—

Hon. Mr. Bourget: He has had too much.

Hon. Mr. Denis: —to seem in favour of the legislation?

Hon. Mr. Flynn: I am very much in favour of the legislation, particularly so because I realize that the honourable senator admits that the government takes back with one hand what it has given with the other hand.

Hon. Mr. Denis: Well, the reason is that the person who has saved money, or has been lucky in life, or has never fallen into misfortune, must not be penalized any more than the others who, for example, because of illness, family obligations or any other reasons, were not so lucky, or could not save money, which is not a reason for discriminating. Also, when everybody gets a cheque, whether he has to pay back part of it, or can enjoy the whole of it, then the one who is poor because he has met with misfortunes gets his own cheque just like the others who have other income and, as I said before, his self-respect and his pride are preserved. He is the only one to see the amount on his cheque. He is the only one who knows how much money he gets.

[*English*]

Honourable senators, in addition to these measures a number of other steps have been taken in the income tax field to improve the lot of old age pensioners. Before the adoption of the recent tax reform measures, about 1,350,000 pensioners were required to pay income tax, including many of those in receipt of the guaranteed income supplement. When the guaranteed income supplement was defined as non-taxable income—and that was something else that was given to those in need—about half a million pensioners were removed from the tax rolls. The increase in basic personal tax exemptions from $1,000 to $1,500 removed another 130,000 pensioners from the rolls, and the decision to raise the special exemption for aged per-

sons from $500 to $650, and to make it available at the age of 65 instead of 70, meant that another 150,000 pensioners became exempt from income tax.

It is expected that raising the special exemption from $650 to $1,000, as proposed in the budget speech of May 1972, will remove an extra 75,000 pensioners from the tax rolls. The result of these tax modifications will be that only half a million pensioners approximately, compared with 1,350,000, will be subject to income tax.

[*Translation*]

Honourable senators, I think I should point out that, for the welfare and profit of the not so young, there is also the Canada Pension Plan or the Quebec Pension Plan. Let us also mention hospitalization insurance, health insurance, the 50 per cent of costs paid to the provinces for those on social assistance, from which older people benefit in some cases. I shall also mention the 5 per cent tax deduction, with a minimum of $100, which was announced in the last budget. I hope that our Opposition friends in the other place will vote for this.

Let me also mention that the pensioner whose spouse is also in need, although still too young to qualify for a pension, may earn up to $1,200 before his pension is affected.

I am also thinking of the New Horizons Program and of the government's instructions to the Central Mortgage and Housing Corporation not to increase rent for old people in housing controlled by the corporation. I wish to mention the loans by this crown corporation, which have facilitated the building of over 44,000 houses for people aged 65 and over, between 1946 and 1971. I know for sure that the Quebec government has just passed a law to curb the ambitions of house owners, and I hereby urge all the provinces to follow suit. The provincial and municipal governments should not take advantage of the present increase in old age pensions to make corresponding reductions in the aid they are giving them at present in the form of social assistance, payment of drugs and other benefits.

Honourable senators, I cannot and will not comment on the technical and administrative detail of this bill. For this, I propose to you to valuate services of the senior civil servants in the Department of National Health and Welfare, when we meet in committee after the second reading of this bill for which it is my great pleasure to ask your approval.

• (2030)

[*English*]

Hon. John M. Macdonald: Honourable senators, I am sure we have all listened with a great deal of interest to the explanation of this bill given by Senator Denis. As usual when introducing a measure, he has explained this one fully and in an understandable fashion. We are indebted to him for so doing.

Of course, it is not surprising that he is able to explain a bill of this nature in such a commendable way. His concern for, and interest in, people of low income is well known. So, I do thank him on behalf of all honourable senators for his explanation.

Honourable senators, I think it can safely be said that Bill-147 is one which merits and deserves general approval and support, and is in fact receiving it. It is receiving this approval and support because it seeks to improve, to some extent at least, the general welfare and the standard of living of many of our elderly citizens. By amending the Old Age Security Act—I might mention here that I would prefer a different name for this act; I do not like the term "old age" in this context—this bill deals with a subject which directly concerns 1,800,000 people and indirectly, of course, affects a great many more in one way or another. Obviously, the raising of the basic pension to $100 a month from the present rate of $82.88 will be of benefit to all those who receive it. It certainly will not make them rich or allow them to have many luxuries, but it will be of assistance and should be widely accepted.

I mentioned that apart from the actual recipients, there are many others who have an indirect concern in the matter of old age security payments. There are those, of course, who are nearing the age when they will be eligible to receive such payments, and are concerned about how they will be able to live when they have to retire from employment and their income is sharply reduced, for in a great many cases retirement from employment means a compulsory reduction in standard of living.

Many younger people also have a personal interest in the amount of these payments. They must plan for their future, and try to estimate what will be their financial situation if one or other of the salaries earned should be lost on account of illness, death, or unemployment. They have a very personal interest in the matter, and a very personal concern in trying to provide for their own retirement.

We must always remember that our society has so changed that it is no longer possible, in a great many cases, for children to assist their parents financially after one or both parents have retired from employment. I believe the will and the desire to make such assistance available when needed is still very strong. No child would want to see his parents lacking anything needed for a good life if he or she could prevent it, but usually it is just not possible for average working people to do anything more than take care of their own financial obligations.

In days gone by parents used to be able to live with their children when they became old, but apartment living and smaller homes have made this pretty well a thing of the past. The cost of living being what it is, all the children can do is support their own families.

Therefore, honourable senators, we are faced with a situation in which most people of 65 years and over must support themselves as best they can, and this will not change. It must also be remembered that under our economic and taxation systems the time has gone when people earning wages can hope to make any worthwhile provision for their retirement years. Indeed, it might very well be that on retirement a person is still making payments on a mortgage he assumed to build or buy a home.

I appreciate that there are many pension plans, including the Canada Pension Plan, that are good and helpful, but I do not think these plans can ever be an adequate solution to the problems faced by people retiring from active employment. Old age security is a part of our economic and social system, and we must be prepared to make further increases in the basic pension as time goes

on—increases over and above the normal increases provided in this and in the 1971 amendments.

Personally, I do not think the additional amount provided by the present amendment is enough at this time. We know that inflation has eroded the benefits of old age security. We know that our older citizens who depend upon old age security have seen their cheques buy less and less as the months went by. We know that older citizens who must live in homes or institutions for the aged have seen the rates change; they go up and up.

It will be very interesting to see what happens after the increase is received at the end of April. Will the prices the elderly must pay for clothing, food and shelter go up? I have a very strong suspicion they will. I have a very strong suspicion that our elderly people will find the price of everything they have to buy will suddenly increase.

• (2040)

I noticed not long ago, in the *Globe and Mail* of March 15, a headline: "Metro rents go up for 1,500 tenants after pension rise." The first paragraphs of that article were:

> Nearly 1,500 pensioners in apartments operated by Metro Housing Corporation are going to have one month to enjoy all of an increase in old pension benefits to $100.
>
> Then their rents will go up.
>
> Rents will be increased between $4 and $13 for about a third of the 4,500 tenants in 13 buildings scattered across Metro.

Honourable senators, I realize and appreciate the problems involved in providing old age security which will be adequate to meet the needs we know exist. Yet it must be done. It must be our objective, our goal, and our determination to provide adequate and, yes, better than adequate assistance for our older people. Personally, I believe our older people have a God-given right to pass their remaining years in physical comfort and mental tranquility, and this means they must be free from financial worry, financial distress, and financial troubles.

If we are able to achieve this so far as possible, then the years which remain to them will in truth be golden years—years which can be a time of happiness for them because they are protected and secure against financial worry and financial distress, and they can at least have physical comfort and mental tranquility.

Honourable senators, it is a fact that at the present time, apart from the basic pension, there is the guaranteed annual supplement for those who qualify. This is of real benefit. As we know, a single person can obtain a maximum supplement of $67.12 a month, so such a person can now receive a maximum of $150 a month; and for married pensioners the amount is higher. Under the provisions of Bill C-147, people who have no other source of income will receive $170 a month at the single rate, and $325 a month at the married rate. As has been pointed out, there are 500,000 people in this category. Half a million Canadians have no source of income apart from old age security. It is shocking to think this can be so in a country like Canada. Then there are another 550,000 people in Canada who are entitled to some partial benefit from the supplement.

Yes, these are shocking and indeed dreadful statistics, yet they only apply to persons over 65 years of age. I am afraid they would be much higher if we knew how many people in Canada would qualify for all or part of the supplement if the age limit were under 65.

Honourable senators, you will have noticed that while the old age pension itself, the basic pension, is being increased from $82.88 a month to $100 a month, which is an increase of just over 20 per cent, the supplement is not so increased. In other words, the supplement will not be increased by 20 per cent. Personally, I do not understand why this is so. Surely all the arguments—and they are convincing—put forward to show the necessity of increasing the basic pension apply with equal force to the supplement.

As I mentioned, a single person with no other income will be able to receive $170 a month. The supplement will be slightly higher under the formula set out in the 1972 amendment. So the increase in the basic pension is $17.12 a month, while the increase in the supplement comes to about $2.88.

It is my contention that the need to increase the supplement is just as pressing and just as desirable as the need to increase the basic pension. If the supplement were increased by the same percentage—that is 20.65 per cent—it would be increased by the amount of $13.86, so the maximum supplement would be $80.98, or almost $81.00. Then a single person with no other income could receive $181 instead of the $170 possible under the bill. Of course, the amount paid to married persons would also increase. In this day of high prices, I do not believe anyone can claim that the amount of $181 would be excessive, and I for one cannot understand why the supplement is not being so increased. The need is there.

Not too long ago, on March 26, in the Montreal *Gazette* a CP dispatch from Toronto, headed: "Life grim for elderly: Toronto study," commenced:

> More than half of the old-age pensioners in Canada live a marginal existence on federal pension benefits, says a report by the Metropolitan Toronto Social Planning Council.
>
> The report urges politicians to draw up a standard budget based on the real needs of the elderly.
>
> The report says standards of nutrition, clothing, shelter, recreation, transportation and health, and the cost of those essentials, should be established as a first step.
>
> "It is not evident that developing income maintenance programs have as yet succeeded in raising the standard of living even to subsistence levels for half and more than half of the elderly," the report says.

Again, the Toronto *Star* of March 24 has a headline: "Report says 50 per cent of elderly haven't enough to live on." Another report in the Toronto *Star* of March 31 is headed: "For half our elderly life means scrimping on an old-age pension."

To bring it up to date, I notice that the First Report to the House of Commons of the Special Committee on Trends in Food Prices had this to say:

> A significant number of Canadians have incomes so low that their positions were precarious at best even before the recent period of rapid food prices began. One major fact that has come out of the hearings is

that the food price increases have turned some of these precarious situations into near-desperate ones.

And that special committee recommended:

> 5. That the Federal Government, in cooperation with the various provincial governments, consider the feasibility of co-sponsored programs to get proper food on the tables of people with low income.
>
> The Committee feels that programs must be devised to enable food to be made available directly to particular groups, primarily children, senior citizens, shut-ins and the destitute.

Honourable senators, to what are we coming if there are people in Canada who have not enough to eat? This bill is good, as far as it goes. I certainly approve of the proposed increase but I believe the pension should be more than $100, and I believe the supplement should be increased by the same percentage as the basic pension. However, I would not want to give the impression that every time there is an increase in old age security we should immediately take the position that it is not enough. I know we have to be realistic, but I think I am being realistic when I say $100 a month is not enough. After all, what counts is not the actual amount of the pension but its purchasing power. If it cannot provide for food, clothing and shelter to the extent of at least minimum comfort, then it is too low.

Without going into the question of lowering the age at which persons should receive old age security benefits, I suggest we must realize that the present age limit of 65 will have to be changed before long. Perhaps it will be a gradual reduction; perhaps there will be an income means test such as for the supplement now. In any event a reduction in the age limit is overdue, and should not be delayed. This I believe to be a matter of justice, an obligation on our part, and one which I believe the Canadian people are willing and indeed proud to accept.

Honourable senators, I support the bill.

• (2050)

Hon. David A. Croll: Honourable senators, I too support the bill. Let me say first that Senator Denis and Senator Macdonald have covered the subject pretty thoroughly, and there is not much more that I can say on statistics. I agree with what Senator Macdonald said about the need for reducing the eligibility age. The time will come for that. The time will also come for increasing the supplement. There are, however, some figures that I will present which may throw a somewhat different light on how much further the government can go at the present time.

I think this bill's coming to the Senate at the present time is quite an occasion; certainly it is so far as I am concerned.

The Minister of National Health and Welfare said that when this bill is passed the benefits to the aged in Canada will be higher than those provided in the United States, the United Kingdom, France, West Germany and Sweden, and that in itself is something that we in the Senate can be proud of. If this bill is passed it will provide for a single person $2,045, and for a couple $3,895, annually, if they draw the full benefits and the full supplement. Admittedly, that is not quite the amount that was recommended in the report of the Special Senate Committee on Poverty, which, if it were brought up to date in 1972, would be $2.580 for a single person and $4,270 for a couple.

We must not forget, however, that in addition to what they receive by way of allowance, these people may very well have income from a private source such as the Canada Pension Plan, and they may well have a home, a car, and a great number of other things. So what we are talking about is income as defined by the Income Tax Act, and that is very helpful to these older people.

I look upon this bill as a really historic event because of what will flow from it. I think of it as history in the making. I remember very well participating in the election of 1927, at which time one of the issues was the old age pension which had previously been rejected by the Senate—by both Conservatives and Liberals, if I recall correctly. When the election took place in 1927 a mandate was obtained, and the pension was then implemented. I had not been in office at that time, but even then I was a pretty notorious Liberal and I participated in that election. If I recall well, the allowance was $20 at age 70 with a means test. And it was a pretty mean sort of means test, because it provided for $1 a day, after which you could not receive any allowance.

This bill now reaches out toward an almost new social horizon. Not only are the minimum benefits for Canadians the highest in the western world, but they are disproportionately high in relation to social assistance payments made to other groups.

In view of what Senator Macdonald said, and what I, too, believe in, it is interesting to see just what is happening. I should like to refer to what Mr. Lalonde, the Minister of National Health and Welfare, said on March 28, 1973, as reported at page 2713 of *House of Commons Debates*. Mr. Lalonde was responding to a remark by Mr. Rose, the member from British Columbia, about the $200 a month which the people of 65 and over are receiving in British Columbia under the present administration there, and he said:

> I think they deserve to be congratulated if they do it.

That is, the government. He then went on to say:

> According to the figures of January 3 that I have, a couple on social assistance in the province of which the honourable member spoke are paid $169, while if they are 65 or over they can get over $400. In Saskatchewan, a couple are paid $176 if they are 64 or 59 years old—choose your age—while a couple in receipt of the federal old age pension will get $325. In Ontario, they are getting $235; in Quebec, $158; in New Brunswick, $180; in Manitoba, $179; in Nova Scotia and P.E.I., $200; in Newfoundland, $195. That is the situation with regard to people who are on welfare. Honourable members should compare those figures with the $325 that will be available to couples under our old age pension.

In other words, if they are on old age pension they can receive $325. So you see there is a bit of catching up that must be done before we start expanding on the present plan.

As I conceive it from the statements made by the minister from time to time, the idea is that the benefits will be extended to the blind, the crippled, the maimed and the

disabled almost immediately, and from then they will be extended to the working poor, and then to other people who require it. The working poor, of course, are on public assistance. Thus, it is the beginning of a new concept with respect to social welfare in this country.

We may well ask ourselves: How did this come about? Who did it? What part did the Senate have to play in it? And one of the main purposes of my speech tonight is not so much to cover the ground that has been covered by Senator Denis and Senator Macdonald, but to set out the role that the Senate has played and the contribution it has made—and that is considerable, for the Senate was the forerunner of new thinking and new acting, and it plainly laid the foundation for a new beginning. It was a small, hesitant step in the right direction that we recommended some time ago, but one which has become quite a step forward today. For some poor the present increased allowance is the difference between living and existing—and there is a difference.

• (2100)

What was the Senate's contribution? Well, it cannot be repeated too often that it was the Senate of Canada that was authorized in 1963 to study and examine

> —the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of government in the promotion thereof.

There followed three years of study, hard work and devotion, one of the results of which was the recommendation that there should be instituted an income guarantee for people aged 65 and over. Today, honourable senators, that may not look like very much. Since 1969 many of these recommendations have been adopted, but in 1963, this was quite a forward step and, I might add, quite a radical step. But we went further than that; we said:

> (a) that the only conditions for eligibility under the Income Guarantee Program be age, as indicated above ten years' residence in Canada, and net cash income from all sources, including Old Age Security and the Canada Pension Plan, below the above amounts.
>
> (b) that the program be administered and financed by the Federal Government.
>
> (c) that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following . . .
>
> (e) that income, capital and deductions be defined and treated as for income tax purposes so far as possible, except that all public transfer payments other than temporary needs-tested supplements would be included.

That, honourable senators, was a far-reaching recommendation.

[Hon. Mr. Croll.]

It is also interesting to note that while there were 20 members on that committee, only 10 of them are now left in the house, and because, in my view, this subject is extremely important, I should like to place on the record the names of the senators who were members of that committee. They were the Honourable Senators Blois, Fergusson, Grosart, Haig, Inman, Lefrançois, McGrand, Quart, Smith and Sullivan.

The government not only accepted the report, but they immediately studied it and added some meat to the bones in the form of the supplement, and kept increasing it from time to time until today we have a meaningful Old Age Security Act, as the minister has already said. So, our report had the effect of being a reference document. It was easy to read the people were interested in it. It contained some 90 recommendations of which I cannot say at the moment how many have been implemented. but I do know that a fair number have. I say this to point out that the Senate gave birth to an idea, and we should not now take a back seat when legislation of this consequence is brought forward. It must also be kept in mind that members of the Senate for years and years—for far longer than has been the case in the House of Commons—urged increases for our old people. That report was a bench mark in the social history of this country.

I want particularly to indicate to you, honourable senators, that as members of that committee we had three ladies who were of the new breed of senator. They had a common background in that they had all been active in the political life of their party at the constituency level; they had spent many years there; they had all done volunteer work in various organizations, and they had an understanding of the grass roots. Senator Fergusson, Senator Inman and Senator Quart were a tremendous help to the committee. It is true that they are of my generation, but their freshness of mind was almost timeless.

I stress this point for one particular reason. It is not that they were any more able than the other members and it is not that they were any less able, but they had their background in social welfare and for this reason they simply did not deviate. They stayed with it because they were aware that the problem of poverty is a great one as it affects the women of our country. When you realize that there are 150,000 women who have 350,000 children on their hands, when you realize that there are 225,000 people who are maimed or crippled—I cannot say how many of these are women—and when you realize that there are 600,000 working poor in this country—and by that I mean people who work for less than they could obtain on welfare, and who yet continue to work, it certainly causes you to think. I cannot say how many of those are in need, but I can say that of those 65 years of age and over, there are 375,000 women and 125,000 men. So, whatever can be done to assist them particularly will be of great value. I suggest that the new senators might well devote themselves to that aspect. They will find it very rewarding, as we find what we are doing today very rewarding.

• (2110)

I said when I began that I would take a little different approach from that of my friends who have covered the subject very well. Let me just take a moment to give you

some understanding of the social reform approaches we have taken in this country, as I see them.

We began as an agricultural society and were much influenced by the British Poor Laws. At that time we devoted ourselves to matters dealing with starvation and deprivation. We were a small country with small villages, and we knew each other. There were jobs for everybody, and if there was any help needed it came from friends. That was the general outlook.

Then we moved into the industrial society and we recognized our dependency on food, clothing and shelter. As I shall indicate, in 1927 we began to build what later became a welfare state. Then, moving along about 30 or 35 years, we became what might be described as a scientific society, and we dealt on the basis of needs. So now we are seriously considering a basic income in order to give meaning to a just society.

Let me take you back a few years. I indicated that my first participation in this matter was in 1927. We had a problem in that we had old people without means and whose working days were finished, and time was running out for them. They had contributed during war and peace. So, as I indicated to you, at the age of 70 we gave them $20 a month, after a means test. At that moment we began our social security system. It was nameless then, but in time it turned out to be the welfare system as we know it now. Many years have gone by since 1927, and in the course of those years we have passed, beginning with the Old Age Pensions Act, many major social measures relating to unemployment insurance, family allowances, hospital insurance, the Canada Pension Plan, medicare, the guaranteed income supplement, and the Canada Assistance Plan, as well as the Blind Persons Act, the Disabled Persons Act, the National Housing Act, and acts for the benefit of veterans. There were 15 or 20 others of less consequence. The original purpose was to try to distribute the wealth. Well, for a little while those measures had some effect, but actually they did not do the job.

Today we find that the top 20 per cent of wage earners receive about 45 per cent of the national wealth, and the bottom 20 per cent receive 4 per cent, half of which comes from transfer payments. The disparity has become worse instead of better, and the poor continue to lose out.

I have a copy of a speech made by the Honourable Marc Lalonde in Winnipeg on March 26 before the Community Welfare Planning Council. At page 6 he says:

> When we help the sick, the old, the infirm, and those to whom fate has dealt such unkind blows that they need temporary assistance, we aren't just legislating charity, we're distributing the country's native wealth among its citizens. Some people say we've gone too far, that our generosity is encouraging people not to work. The facts don't bear this out. Between 1951 and 1967, the income of the bottom 20 per cent of the population increased $2,270, from $1,820 to $4,090, while the 20 per cent group next to the top went from $4,640 to $10,650, or $6,010, an increase greater by 50 per cent than that of the lowest group.

He continues:

> As I mentioned in the beginning, we have a hodgepodge of social legislation, with three levels of government attacking it from three different viewpoints. The Senate report on poverty describes the present welfare system as "a chaotic accumulation of good intentions gone out of joint." Look at some of the obvious contradictions—in one province, a needy person at age 64 can only get $102 a month, but when he reaches 65 he can draw $200 a month.

Then he continues to discuss the matter further.

Honourable senators, I gave you a description of what happened in 1927. My purpose, of course, is to bring you up to date. Now, in 1973—

Hon. Mr. Choquette: Dispense from 1927 to 1973.

Hon. Mr. Croll: You are right. It will not be that long. But you remember those people for whom we did these things in 1927. Well, here we are in 1973, and we have old people without means, their working days finished. Time for them is running out, and they have contributed during times of war and peace. We are giving them $100 a month plus $70, and for a married couple we do even better than that. When we provided for these people in 1927, that was all we could afford. But since then we have brought in measure after measure after measure relating to social welfare reform of one kind or another. All that was needed was a grievance, and a law was passed and a service created. We continue to do that. But here we are, almost 45 years later, facing the very same problem that we faced in 1927. We have been going around in circles. I was there then and you are here now, and the problem is the same. Something has gone wrong. Surely we could have approached it in a proper fashion and dealt with it.

Now, of course, we have the tools, we have the laws—and some good ones. We have the material and the administrative machinery, and we have the thing that binds it together—the cement, or the money; we are not lacking in that—and we have a wealth of experience. If we are not aware of the mistakes and shortcomings, then we should be. We should be able to apply the remedy.

• (2120)

The present system of welfare and social security has been a failure. All indications are that its future will be worse, not better. You will remember that from time to time I have said it was a mess of monumental mistakes. The present minister called it a disgrace. We must take new approaches, but not related to welfare. When welfare was originally introduced its purpose was to supplement wages, to tide a person over for a short time. We have been tiding over for a very long time. The recommendation made in the report of the Poverty Committee with respect to a guaranteed income based on the negative tax method has caught on in this country much better than anyone could have anticipated.

This country is bothered, and rightly so, by the question of our ability to protect it with enough work incentives. We must realize, however, that the work ethic of our younger days is not that of today. First we must ensure that there are jobs available. When speaking to the bill to amend the War Veterans Allowance Act Senator Carter indicated that we must ensure income. That means, of course, either the government as the employer of last resort, or an allowance. We can take our choice, but we could break the back of poverty in this country tomorrow by providing jobs with a minimum wage of $2 per hour.

Hon. Mr. Choquette: Doing what?

Hon. Mr. Croll: Jobs paying wages of a minimum of $2 per hour, whatever they may be. That would be the minimum; other jobs may pay far more.

Hon. Mr. Choquette: No, I ask, "Doing what?" What would these people do?

Hon. Mr. Croll: Whatever work there is.

Hon. Mr. Choquette: Would they build railroads, roads, boats, or what?

Hon. Mr. Croll: Whatever jobs are available. I do not know what they would be.

Hon. Mr. Choquette: We have tried that, you know.

Hon. Mr. Croll: I am suggesting that work is not available.

To further quote the minister:

> But I am convinced that we have now reached a stage in the development of our social security system where governments need to look very carefully at the whole field of poverty in our country—regardless of the ages or the categories of the people concerned.

He continues:

> I am particularly concerned, of course, with the lot of the low income families, and even more specifically the working poor.
>
> We have done much more than just make a start. Already we have had meetings with our provincial colleagues. In the first week of April, I am going to tour all the provincial capitals, and before the scheduled federal-provincial conference of welfare ministers in Ottawa from the 25th to 27th, I intend to make public the alternative approaches which we think should be considered for reforming our welfare system.

The Parliamentary Secretary to the Minister of National Health and Welfare made some interesting comments on March 30, and I shall read from the bottom of page 2795 of the House of Commons *Hansard*:

> As I say, the government is concerned about this problem and is giving it immediate consideration. We shall be attending the conference to be held during Easter week, which is not far away, when all these matters will be brought forward, and we shall be proposing an over-all approach to social security which, hopefully, will establish the right kind of priorities so that not only senior citizens but the working poor and those who are unable to work at all, such as the handicapped, are dealt with fairly. We would then be able to proceed with a plan which would recognize the passage in the Speech from the Throne which spoke about a guaranteed annual income for those who are unable to work, and total reform of social security policies affecting everyone in Canada.

The reports of the Special Senate Committees on Aging and Poverty have provided important vehicles and bench marks for the Government of Canada in the revamping of the welfare system into a basic income system. We can hope—and all indications seem to point to the fact—that the April conference will be productive in doing away with our welfare system once and for all, and providing an alternative that will not only assure income, but will in some way make jobs and opportunities available. With all this experience and knowledge we can co-ordinate these many services. We can cut off the branches, and from that build the type of system of which the minister speaks when he says that our achievement to date is the best in the western world but there is a great deal more to do.

On motion of Senator Asselin, debate adjourned.

NORTH ATLANTIC ASSEMBLY

EIGHTEENTH ANNUAL SESSION, BONN, WEST GERMANY—DEBATE CONCLUDED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Argue calling the attention of the Senate to the Eighteenth Annual Session of the North Atlantic Assembly, held at Bonn, Federal Republic of Germany, 20th to 24th November, 1972, and in particular to the discussions and proceedings of the Session and the participation therein of the delegation from Canada.—(Honourable Senator Smith).

Hon. Paul Yuzyk: Honourable senators, I believe that Senator Smith adjourned this debate on my behalf.

The Hon. the Speaker: Is it agreed, honourable senators, that the Honourable Senator Yuzyk should proceed in place of the Honourable Senator Smith?

Hon. Senators: Agreed.

Hon. Mr. Yuzyk: Honourable senators, I was in Brussels with the Standing Senate Committee on Foreign Affairs when Senator Hazen Argue delivered his speech in the Senate on the Eighteenth Annual Session of the North Atlantic Assembly, held in the Bundestag in Bonn, the Federal Republic of Germany, from November 20 to 24, 1972. Upon my return I read his account carefully, and I congratulate him for his rather full and effectual presentation of the highlights of the proceedings of the Assembly. This was characterized, of course, by his interesting and personal approach. If he still considers himself to be a novice in the field of NATO affairs, with this speech he has disqualified himself. I expect him next time not to be so humble and to make further contributions in the future. I shall try not to repeat what has already been stated by Senator Argue, but to add to his report and make some of my own observations and general comments.

• (2130)

The importance of the Eighteenth Session of the North Atlantic Assembly can be gauged by the fact that some 200 parliamentarians were in attendance and that the deliberations were covered by a large number of journalists not only from the NATO countries but also from the Soviet Union and several of its satellites, Yugoslavia, Switzerland, and even Lebanon, as well as by observers from international organizations.

Their interest was intensified because preparatory talks for a conference on security and co-operation in Europe were already under way in Helsinki. Consequently the debates in the Assembly were focused on East-West rela-

tions and on the necessity for the NATO countries to maintain a united stand, and particularly to prevent any possible dissension among their governments.

The Assembly was to have been opened by the chairman, Mr. Terence Murphy of Canada, but because he had not been re-elected in the October election, Mr. John Peel of the United Kingdom, the first vice-chairman, replaced him and was later elected chairman. This embarrassment could have been avoided had a Canadian senator occupied the chair at the time.

The first message of welcome came from Mr. K.-U. von Hassel, Chairman of the Bundestag. Referring to the changing scene in world politics, the preparatory talks on security and co-operation, and the possibilities of a mutual and balanced reduction of forces and armaments in Europe, he stated:

> Seen against the background of the range of activities ahead of us—some proceeding in parallel, some inter-related and the outlines of which are only slowly becoming clear—your Assembly's deliberations take on a special significance. It is given to you to make it plain that the nations of the Western world linked in this alliance really do form a community capable of forging a political will that, where Europe is concerned, guides every one of its members. You can, especially, make it plain that within this alliance the nations on both sides of the Atlantic stand shoulder to shoulder.
>
> The partnership between Europe and the United States has in NATO an institutional bond, the importance of which goes far beyond the military and security aspects.

Chancellor Willy Brandt of the Federal Republic of Germany, in his first public address since his recent re-election, stated that his government had been given a new mandate which would pursue "a policy of security and détente as jointly developed within the Alliance."

Referring to the Helsinki preparatory talks, he stated:

> Now, together we shall have to ensure that in terms of time the subject of balanced force reductions on both sides will be dealt with in step with the subject of European co-operation. As I see it, a central task in the years ahead, and a great opportunity for all of us, will be to create throughout the whole of Europe a situation in which peace will be secured for generations.
>
> In pursuing this goal I do not expect our relationship with our American friends to be weakened but rather to be further and constructively developed. And I feel that the America we shall be dealing with will be paying more, not less, attention to European affairs.

NATO's Secretary-General, Mr. Joseph Luns, in a lengthy speech outlining the work of the Alliance, stated that it was still too early to know if East-West relations had entered a new phase, and felt that the West would be confronted by a co-ordinated tactic from the Warsaw Pact countries.

Allied governments should go to these negotiations with clearly and coherently defined aims. The following events must be regarded within the scope of the intensified East-West dialogue: the German-Soviet and German-Polish treaties, the Four Power Agreement on Berlin, the American-Soviet negotiations on Strategic Arms Limitations, President Nixon's visits to Peking and Moscow, the treaty between the two states in Germany and their accession to the United Nations.

In conclusion, Secretary-General Luns expressed a deep concern for the success of the negotiations, implying the need for caution, as follows:

> It is reasonable to assume that the Soviet Union has an interest in pursuing a general relaxation of tension vis-à-vis the West, and particularly in Europe, in order to avoid military confrontation and to free energies and resources for other aims—domestic as well as international. At the same time, it is prudent to bear in mind that the Soviet Union admittedly wishes to create favourable conditions for the development of socialism within, as well as beyond, its sphere of influence. I believe that the Soviet policy of consolidating the status quo in Europe is dynamic rather than static in its nature, as indeed the policy of a great power usually is. This statement implies neither that we should not negotiate with the East nor that such negotiations could not be fruitful. It only suggests that a sober assessment of one's opponents' interests and motives is the key to the success of any negotiations. And we certainly do hope that the multilateral negotiations prepared thoroughly with much hard work within the Alliance over several years, will succeed fully. Allied Governments are second to none in their desire to seek greater security in Europe and a reduction of the barriers that divide the Continent.

Mr. John Peel, the chairman of the session, dealt with some of the problems facing the Alliance, which must "strive to find ways and means of eliminating or at least minimizing the strains which could erode the Alliance from within with results that could be more damaging than any attempts to weaken it made from the outside."

Mr. Peel urged that NATO must first put its house in order in the matter of collective defence, stating:

> Unless the European Allies maintain and improve their efforts to defend Europe it is not reasonable to expect that the United States Government will be able to continue to maintain its present level of armed forces in Western Europe . . . Unfortunately, there are signs that Western Europe is heading into a period in which it will be more difficult than ever, in the context of the Security Conference and of force reduction negotiations for Governments to obtain parliamentary and public support even to maintain the present degree of defence expenditure, let alone to make an increased defence effort . . . At the present stage, any unilateral defence cuts by a member of the Alliance, going as they would against the letter and spirit of AD 70 Study, could have a snowball effect . . . No member of the Alliance has the right to expect other Allies to do more for its own defence than it does itself.

Regarding multilateral discussions to improve East-West co-operation, Mr. Peel warned:

• (2140)

> . . . in these East-West talks we must beware of the siren voices beguiling us into a relaxation of our

defence posture and of our political cohesion, which could result in a loosening of ties between North America and Western Europe and in a corresponding increase of Soviet political influence throughout the whole of the European continent.

The parliamentarians dealt with the pressing problems of NATO by actively participating in the work of the following committees: Political; Scientific and Technical; Education, Cultural Affairs and Information; Military; and Economic. The recommendations, resolutions and orders of these committees were then presented to the plenary session, which adopted, revised or rejected each of them.

Senator Argue dealt with the recommendation on East-West relations in a general way. For our record I should like to quote the text of the Political Committee recommending that the North Atlantic Council promote an intensive dialogue between East and West by:

a) encouraging the US Government to consolidate the initial SALT accords by negotiating with the USSR further agreements limiting the qualitative and quantitative nuclear competition between them;

b) encouraging those Member Governments concerned to aim at the rapid conclusion of the negotiations in the framework of the Disarmament Conference in Geneva with a view to the complete cessation of nuclear testing provided that adequate means of verification are available;

c) encouraging its Member Governments to seek at a Conference on Security and Co-operation in Europe first, at the opening Ministerial session, the establishment of Committees dealing with specified subjects, and then, if progress in these Committees is sufficient to permit positive decisions in a further Ministerial session, the establishment of permament East-West multilateral negotiating machinery, with the aims of reducing tensions and increasing co-operation between the two Alliances;

d) making every effort to ensure that Mutual and Balanced Force Reduction negotiations:

—advance as far as possible in parallel with the Conference on Security and Co-operation in Europe;

—aim at agreements on confidence building measures, such as the establishment of ceilings on troop movements permitted by NATO and Warsaw Pact countries;

—try to achieve both a reduction of conventional armaments and—possibly in liaison with the SALT II negotiations—a limitation of "tactical nuclear weapons", forward-based systems and medium-range nuclear missiles deployed in Europe.

A great deal of attention was devoted to the "Cultural Aspects of the Conference on Security and Co-operation in Europe." The committee on Education, Cultural Affairs and Information, of which I was a member and to which I made some contribution, after much debate, presented the following recommendation urging the North Atlantic Council to encourage member governments of the Alliance to seek at an eventual conference on security and co-operation in Europe and during its follow-up:

[Hon. Mr. Yuzyk.]

a) the development, on a long-term basis, of joint East-West projects on problems of a specific nature which confront European society as a whole, such as conditions of employment, housing and housing standards, and social problems;

b) the establishment of book, journal, newspaper and film libraries stocked from Eastern and Western Europe and freely available to the peoples of both these areas;

c) East-West co-operation in the exchange of television programmes and radio;

d) reciprocal agreements increasing sales of newspapers and periodicals across East-West frontiers in Europe;

e) the development of reciprocal tourism and sporting events, with due attention being paid to the "hard currency" problems of the Eastern European countries;

f) the development of initiatives such as those outlined above within the framework of permanent East-West negotiating machinery.

Honourable senators, there were resolutions, recommendations and orders approved by the other committees, many of which were ably dealt with by my colleague, Senator Argue. I have concentrated paramountly on East-West relations because the problem of easing the tensions, or the détente, dominated the deliberations of the Assembly. There was a strong spirit of unity, harmony and even hope among the parliamentarians from the various countries, and I received the impression that there was a strengthening of the bonds across the Atlantic between Europe and the United States, as well as Canada.

We can derive some satisfaction from the measures of the Eurogroup members to improve their share of the contribution to the defence of the Alliance. I should like to submit for the record as an appendix a document entitled "European Force Improvements in 1973", which includes the improvement of NATO's armour/anti-armour capability, air capability and naval capability. The Military Committee of the Assembly presented and had approved the following six recommendations:

(a) on the Efficiency of Armed Forces

(b) on NATO's General Politico-Military Strategy

(c) on the Soviet Maritime Threat

(d) on the Defence of the Northern Flank

(e) on Electronic Warfare Capability

(f) on Financial Control over NATO Infrastructure

The Hon. the Speaker: Did I understand the honourable senator to say that he wanted a document printed as an appendix?

Hon. Mr. Yuzyk: Yes, and I have one other document which I should also like to have printed as an appendix. I will get to that now.

Canada is performing a positive role in NATO and appears to have been shouldering her share of the defence budget. This is evident when we look at the document entitled "Defence Expenditures of NATO Countries 1949-1972," where a comparison can be made with the other members of the Alliance. I would ask, with leave of the

Senate, that this document also be printed as an appendix to today's proceedings.

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

Hon. Senators: Agreed.

(For text of document entitled "European Force Improvements in 1973" see appendix "B", p. 461.)

(For text of document entitled "Defence Expenditures of Nato Countries 1949-1972" see appendix "C", p. 462.)

Hon. Mr. Yuzyk: Honourable senators, the input of the Canadian delegation into the work and successful deliberations of the Eighteenth Annual Session of the North Atlantic Assembly was considerable, noticeable and appreciated by the other delegations. This session will be particularly remembered for the contributions that were made in the fields of science, technology, economics, education and cultural affairs, which should prove to be of great benefit to the members of NATO and humanity. The Assembly has proved that it is a vital factor in the survival and the progress of the Alliance. In the interests of peace, freedom justice and the progress of humanity there is still much work to be planned and done.

The Hon. the Speaker: As no other honourable senator wishes to participate in this debate, this inquiry is considered as having been debated.

The Senate adjourned until tomorrow at 2 p.m.

25862—29½

APPENDIX "A"

(*See p. 440.*)

ADDRESS

of

LUIS ECHEVERRIA

Constitutional President of the
United Mexican States

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Friday, March 30, 1973

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Muriel McQueen Fergusson, Speaker of the Senate.

[*Translation from French*]

Hon. Lucien Lamoureux (Speaker of the House of Commons): The Senate and the House of Commons of Canada rejoice in the presence here of the President of Mexico, His Excellency Luis Echeverria and Mrs. Echeverria.

[*English*]

We are highly honoured and pleased that His Excellency, the President of Mexico, has accepted our invitation to address this joint meeting of the Senate and the House of Commons of Canada. On behalf of my colleagues of the House of Commons and of the Senate I would invite the Right Hon. Prime Minister to welcome and introduce our distinguished guest.

[*Translation from French*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. President, Madam Echeverria, Madam Speaker of the Senate, Mr. Speaker of the House of Commons, Ladies and Gentlemen Senators and Members of Parliament.

On behalf of the Canadian people and their parliamentary representatives, I have the honour of extending to you, Mr. President, to Madam Echeverria and to all the members of your entourage, the most cordial welcome to this joint sitting of both Houses of the Canadian Parliament.

[*English*]

Although we could point to obvious differences between Mexico and Canada, we would like to think of ourselves as similar in many ways. Among the most important similarities for our present and future relations is our common status as intermediate powers on the world scale. We would not claim to rank with the super powers, with populations of hundreds of millions, with relatively self-contained domestic markets, and with a huge arsenal of military force. But as countries with

DISCURSO

de

LUIS ECHEVERRÍA

Presidente Constitucional de los
Estados Unidos Mexicanos

a

Ambas Cámaras del Parlamento

en la

CAMARA DE LOS COMUNES, OTTAWA

el

viernes, 30 de marzo de 1973

Dio la bienvenida al Presidente el Excmo. Sr. P. E. Trudeau, Primer Ministro de Canadá, y le dio las gracias la Excma. Sra. Muriel McQueen Fergusson, Presidente del Senado.

[*Traducción del francés*]

El Excmo. Sr. Lucien Lamoureux (Presidente de la Cámara de los Comunes): El Senado y la Cámara de los Comunes de Canadá se complacen en acoger aquí al Presidente de México, Su Excelencia Luis Echeverría y la Sra. de Echeverría.

[*Traducción del inglés*]

Constituye para nosotros un gran honor que Su Excelencia, el Presidente de México, haya aceptado nuestra invitación a dirigir la palabra a esta reunión conjunta del Senado y de la Cámara de los Comunes de Canadá. En nombre de mis colegas de la Cámara de los Comunes y del Senado, quiero invitar al Excmo. Sr. Primer Ministro para que dé la bienvenida y haga la presentación de nuestro distinguido huésped.

[*Traducción del francés*]

El Excmo. Sr. Dn. P. E. Trudeau (Primer Ministro): Señor Presidente, Señora de Echeverría, Señora Presidente del Senado, Sr. Presidente de la Cámara de los Comunes, señoras y señores Senadores y Diputados.

En el nombre del pueblo canadiense y de sus representantes parlamentarios, tengo el honor de desearle a Ud., Señor Presidente, a la Sra. de Echeverría y a todos los miembros de su cortejo, la bienvenida más cordial a esta sesión de las Cámaras reunidas del Parlamento de Canadá.

[*Traducción del inglés*]

Aun cuando podríamos señalar las diferencias existentes entre México y Canadá, quiero ahora pensar más bien en lo que nuestros países tienen de semejante. Una de las semejanzas más notables que aceptan nuestras relaciones presentes y futuras es nuestra calidad de potencias intermedias en el mundo. No pretendemos estar a nivel de las super potencias, con poblaciones de varios cientos de millones, mercados domésticos auto-suficientes y con un enorme arsenal de fuerza militar. No obstante,

over one hundred years of political independence, with considerable human and natural resources, and with a strong desire to govern our own destinies and to make our own contribution to world affairs, we can and we do fulfil a useful and constructive role.

I am inclined to think, Mr. President, that this role is likely to grow in importance. Since World War II, Canada has focused considerable attention on its participation in the United Nations and in multinational organizations such as the Commonwealth and La Francophonie. We will continue to do so, but in today's world we must also place renewed emphasis on direct relations between a network of well placed intermediate powers. Among these, for many reasons, Mexico is foremost in our thoughts.

There is the compelling argument of geography. It is the declared policy of our government to draw closer to our friends and partners in the western hemisphere. Over the past year or two we have given evidence of this desire by cementing our links with the institutions of the inter-American system. In particular, we have sought to identify ourselves more closely with the progress of Latin America in the achievement of social and economic goals. In these activities we consider Mexico to play a very useful part. It is special not only because of the important part you play in the deliberations of the hemisphere but also because our understanding of Latin America is necessarily enriched by a close and mutually beneficial relation with Mexico, a country with which we share so many common perceptions and interests.

In our meeting this morning, we and our ministers made much progress, Mr. President. We talked in the very candid and practical way that is characteristic of two North American partners and neighbours. Our discussions have confirmed our common conviction that there is much that our two countries can do together, and now is the time to broaden and strengthen our existing relationship and to add new dimensions to it.

[*Translation from French*]

The distance between our countries has long since ceased to be an obstacle. There are many commercial, technical and human links between us that have contributed to the growth of our economies and the fulfilment of our peoples. More than 100,000 Canadians go to Mexico every year, for reasons of leisure, of course, but also to steep themselves in your extraordinary human heritage from advanced civilizations from the Mayas onwards. Places such as Acapulco and Cozumel, Chichén Itzá and Uxmal, artists and musicians such as Rivera, Orozco and Chávez, have become familiar figures, even close companions for us.

Mr. President, since your inauguration in 1970, you have constantly seen to the welfare of your fellow citizens, you have sought to encourage greater participation in the process of government, and you have attempted to keep economic progress inseparable from social justice. You have also tried to obtain world-wide recognition of these principles, these ideals, so that all nations, whatever their power, may have a share in decisions that concern them, and so as to bring about greater equity in the con-

como países con más de 100 años de independencia política, recursos naturales y humanos considerables y con un marcado deseo de dirigir nuestro propio destino y contribuir a los asuntos del mundo, podemos desempeñar, y en realidad desempeñamos, un papel útil y constructivo.

Me siento inclinado a pensar, Sr. Presidente, que este papel va a crecer en importancia. Desde la Segunda Guerra Mundial, Canadá ha prestado gran atención a su participación en las Naciones Unidas y en organizaciones multinacionales como la Commonwealth y La Francophonie. Así seguiremos haciéndolo, pero, en el mundo de hoy, debemos prestar una importancia renovada entre una red de potencias intermedias bien situadas. Entre ellas, México ocupa un lugar primerísimo en nuestro pensamiento, por muchas razones.

Existe, evidentemente, la situación geográfica. Existe además la política de nuestro gobierno de acercarnos a nuestros amigos y compañeros del hemisferio occidental. Hemos dado prueba de este deseo a lo largo de los dos últimos años, al hacer más estrechos nuestros vinculos con las instituciones del sistema interamericano. De modo especial, hemos procurado identificarnos más estrechamente con el progreso que realiza Latinoamérica en la consecución de sus metas sociales y económicas. Creemos que México representa un papel muy útil en estas actividades. Y esto es así, no sólo por el importante papel que representan ustedes en las deliberaciones de este hemisferio, sino porque nuestra comprensión de Latinoamérica se enriquece a través de nuestras relaciones estrechas y mutuamente beneficiosas con México, país con el que tantos intereses y puntos de vista tenemos en común.

En la reunión de esta mañana, Sr. Presidente, tanto nosotros como nuestros ministros, hemos realizado notables progresos. Nuestra conversación fue cándida y práctica, como es característico entre dos vecinos y compañeros de América del Norte. Nuestra conversación nos confirmó la convicción común de que existen muchos campos en que nuestros países pueden trabajar juntos y que éste es el momento de hacer más amplias y fuertes las relaciones existentes, y darles un nuevo alcance.

[*Traduccion del francés*]

La distancia que nos separa ha dejado de ser una barrera desde hace ya mucho tiempo. Los intercambios comerciales, ténicos y humanos entre nuestros dos países, desde hace varios decenios, han estimulado el crecimiento de nuestras economías y la plenitud de vida de nuestros pueblos. Más de cien mil canadienses se dirijen a México cada año para reposar, naturalmente, pero, sobre todo, para impregnarse de esta herencia humana que, desde el tiempo de los Mayas, les han dejado civilizaciones extraordinarias. Lugares como Acapulco y Cozumel, Chichen Itza y Uxmal, artistas, músicos como Rivera, Orozco y Chávez, nos son ya familiares y, por así decirlo, intimos.

Desde su toma de posesión, en 1970, Sr. Presidente, se ha preocupado por el bienestar de sus conciudadanos, se ha esforzado porque la participación en el proceso gubernamental fuera más intensa y ha procurado de que el progreso económico fuera inseparable de la justicia social. Principios e ideales que Ud. ha querido también hacer reconocer en la escena mundial, a fin de que todas las naciones, cualquiera que sea su potencia, puedan participar en las decisiones que les atañen, favoreciendo

duct of international affairs. I can assure you, Mr. President, that Canadians are with you in the ardent hope that these aims will be reached.

[*Translation from Spanish*]

It is with these thoughts for the future of our countries working together in a relationship of new meaning and purpose that we extend to you, Sir, a very warm welcome. This special session of the Parliament of Canada is an historic occasion and it is an honour and a privilege for us to welcome you, Mr. President.

His Excellency, Mr. Luis Echeverria (President of Mexico):

Madam Speaker of the Senate,

Mr. Speaker of the House of Commons:

First and foremost, I would like to thank you for the opportunity you have given me to express the points of view of the Mexican government on important matters which concern our two nations. Nothing could be more satisfactory than to speak before this House of Commons, symbol and seat of the best democratic traditions of this great country.

The main purpose of my visit to Canada is to propose to you a new stage of wide range and increasing exchanges, mutually beneficial to our two countries.

Up to now, our relations, though insufficient in number, have always been cordial. In a world conditioned by economic and political ambition, expressions of friendship are not enough to resist the pressures of the hegemonic attempts made by the strongest nations. It is necessary for us to come closer together and share experiences, increase our contacts and persevere in the defense of the theses that we both support at multilateral forums.

It is our conviction that the points we have in common in our respective political philosophies, our particular location in the world, and the complementary aspects of our economies will allow us to establish increasingly deeper bonds.

For you, as for us, democracy is a way of life. It implies absolute respect for different forms of thought. It also means respect for self-determination of peoples, coexistence and even cooperation between states with different ideologies.

Freedom is not an abstract capacity to take decisions, but a concrete possibility of implementing these decisions. In the same way in which an unjust society actually annuls all freedoms, unfair relations among peoples condemn the poorest to a virtual loss of autonomy.

The true democratic ideal calls for each man and each nation to have the means to satisfy their needs and develop their personality; to exercise effectively the rights they have as individuals, human groups and nations.

Mexico has been a frequent victim of intervention, abuse and injustice. It has learned that its national identity and sovereignty can only be based on an effort

así una mayor equidad en la dirección de los asuntos internacionales. Puedo asegurarle, Sr. Presidente, que los canadienses desean ardientemente como Ud. la realización de estos objetivos esenciales.

[*Español*]

Con estas ideas sobre el futuro de nuestros dos países colaborando en une relación de intenciones y propósitos nuevos, le damos, Excelencia, nuestra más cordial bienvenida. Esta sesión especial del Parlamento de Canadá constituye una ocasión histórica y es para nosotros un honor y privilegio escuchar sus palabras, Sr. Presidente.

Su Excelencia Luis Echeverría (Presidente de México):

Señora Presidenta del Senado,

Señor Presidente de la Cámara de los Comunes.

Quisiera, ante todo, agradecer cumplidamente la oportunidad que se me ofrece para expresar, ante ustedes, los puntos de vista del gobierno mexicano sobre cuestiones relevantes que conciernen a nuestras dos naciones. Nada más satisfactorio que hacerlo ante esta Cámara de los Comunes, símbolo y sede de las mejores tradiciones democráticas de este gran país.

El objetivo primordial de mi visita consiste en proponerles una nueva etapa, de amplios y crecientes intercambios, mutuamente benéficos para los pueblos de Canadá y México.

Hasta ahora, las relaciones han sido siempre cordiales pero insuficientes. En un mundo condicionado por ambiciones económicas y políticas, las muestras de simpatía no bastan para resistir las presiones y las tentativas hegemónicas de los más fuertes. Es preciso aproximarnos y compartir experiencias, multiplicar contactos y persistir en la defensa de las tesis que nos identifican en los foros multilaterales.

Tenemos la convicción de que las coincidencias de nuestras respectivas filosofías políticas, nuestra peculiar ubicación en el mundo y los aspectos complementarios de nuestras economías, nos permitirán establecer nexos cada vez más profundos.

Para ustedes, como para nosotros, la democracia es un modo de vida. Implica respeto absoluto a las distintas formas de pensamiento. Significa, igualmente, respeto por la autodeterminación de los pueblos, coexistencia y aún cooperación entre Estados de diferente orientación ideológica.

Pero la libertad no es sólo una capacided abstracta para tomar decisiones, sino un poder concreto para realizarlas. Del mismo modo que una sociedad injusta anula de hecho las libertades, las relaciones inequitativas entre les pueblos condenan a los más pobres a la pérdida virtual de su autonomía.

El verdadero ideal democrático pretende que cada hombre y cada pueblo, dispongan de los medios adecuados para satisfacer sus necesidades y desarollar su personalidad; para ejercer, efectivamente, los derechos que tienen como individuos, como grupos humanos y como naciones.

México ha sido víctima frecuente de la intervención, del abuso y de la injusticia. Ha aprendido que su identidad nacional y su soberanía sólo pueden fundarse en

to defend its integrity before others and at the same time promote within the country progress with equality for all.

We are certain that a new international society is in the process of being built. Small and medium-sized countries must participate in this era of transition by renewing and strengthening their nationalistic attitude; they must also acquire new instruments to make their full development feasible.

If we have overcome the colonial mentality domestically, we should do the same in our relations with other countries. We must weigh with serenity the changes that are taking place on the world scene and act with flexibility and courage in favor of our national objectives.

The end of the cold war and of bipolarism points to a different political structure characterized by the emergence of new centers of power, by the establishment of more flexible alliances and by a greater participation on the part of developing countries in the management of world affairs.

Only dangerous fatalism could lead us to believe that the international community should be structured in the future in accordance with old systems of domination and that the only possible way of change would be to redefine spheres of influence. Such a belief would mean facing the future with a nineteenth century outlook and condemning ourselves irrevocably to dependence.

On the contrary, we believe that countries like ours are called upon to play a more significant role in the field of international relations, not only because of their rate of development, their unexploited wealth or demographic growth, but also because of the enormous possibilities of concerted action and the moral force of a behaviour which adheres to the standards of public international law.

Neither of our countries wants to arouse systematic opposition or enmity with any nation. We hope, from similar positions, to modify hemisphere relations in order to share prosperity in a better way. We realize that this option means not only basic modifications in our relations with other countries of the continent, but also a definite extension of our contacts to other areas of the world.

Canada is in a wonderful position to play a more dynamic role in this hemisphere. I wish to reiterate that my government views with pleasure the Latin American policy of Canada, especially its recent entry into various organizations of the regional system. Although we feel certain that its participation as a full member in the Organization of American States would be more fruitful, we respect its reasons for joining only as a permanent observer at this time.

Moreover, we share many of the doubts that rightly concern Canada with respect to this organization. We realize that its decisions only appeared to be democratic and that ideological intolerance frequently diverted this institution from its objectives. Mexico has invariably fought, and will continue to do so, for our regional organization to be zealously respectful of the sovereignty of

un esfuerzo simultáneo por defender su integridad frente a los demás y por obtener, en lo interno, un progreso igualitario.

Tenemos la certidumbre de que en estos años se está gestando una nueva sociedad internacional. Los pequeños y los medianos países, deben actuar en esta época de transición renovando y fortaleciendo su actitud nacionalista; pertrecharse con nuevos instrumentos que hagan viable su pleno desarrollo.

Si hemos superado en lo interno la mentalidad colonial, debemos hacerlo también en nuestras relaciones con el exterior. Tenemos que ponderar, serenamente, los cambios que se están produciendo en el panorama mundial y actuar, con agilidad y valentía, en favor de nuestros objetivos nacionales.

El fin de la Guerra Fría la liquidación del bipolarismo anuncian una distinta composición política caracterizada por el surgimiento de nuevos centros de poder, por el establecimiento de alianzas más flexibles y por la mayor participación de los países en vías de desarrollo en la dirección de los asuntos mundiales.

Sólo un peligroso fatalismo podría hacernos suponer que la comunidad internacional habrá de estructurarse mañana conforme a los antiguos esquemas de dominación y que el único sentido posible del cambio es redefinir las esfras de influencia. Considerarlo así, sería enfrentar el porvenir con mentalidad del siglo pasado y condenarse, irremisiblemente, a la dependencia.

Pensamos, por el contrario, que países como los nuestros están llamados a desempeñar una función de mayor significado en el campo de las relaciones internacionales. No únicamente por razones derivadas de su ritmo de crecimiento, de sus riquezas inexpiotadas o de su crecimiento demográfico, sino también por las enormes perspectivas de una acción concertada y por la fuerza moral de una conducta apegada a las normas del derecho de gentes.

Ninguno de nuestros países pretende suscitar oposiciones sistemáticas ni enemistades con nación alguna. Aspiramos, desde posiciones semejantes, a modificar las relaciones hemisféricas en favor de una prosperidad mejor compartida. Sabemos que esta opción incluye modificaciones sustantivas de nuestras relaciones con los demás países del continente pero, también, una decidida ampliación de nuestros contactos con otras áreas del mundo.

Canadá se encuentra en magnífica situación para desempeñar un papel más dinámico en el hemisferio. Deseo reiterar el beneplácito con que mi gobierno ha seguido la política latinoamericana del Canadá, significada recientemente por su ingreso a diversos órganos del sistema regional. Aunque estamos seguros de que su plena participación en la Organización de los Estados Americanos sería más fecunda, respetamos sus razones para incorporarse, por ahora, sólo con el rango de observador permanente.

Más aún, compartimos muchas dudas que verosímilmente preocupan al Canadá respecto a esa Organización. Estamos conscientes de que, a menudo, sus decisiones sólo en apariencia fueron democráticas y de que la intolerancia ideológica, la desvió frecuentemente de sus propósitos. México ha pugnado invariablemente, y lo seguirá haciendo, porque nuestro organismo regional sea celosamente

its Member States and for economic and social cooperation to have a position of priority among its tasks.

Neo-colonial attitudes and international injustice will not decrease substantially over a short period. It will take time to overcome inertia and certain barriers. The best way to do this is by extending exchanges and unifying the positions among countries that have interests which are alike.

For years, Canada and Mexico have had similar attitudes on some of the most important questions of our time. Both our countries are concerned, for instance, about finding formulas to harmonize industrial growth with the conservation of the human environment and natural resources.

Air, water and land pollution becomes a new source of servitude when it is the result of relations with more industrialized countries. Ecological aggressions which cause serious damage to life, health and the economy are an additional load for less developed nations to bear.

Economic sovereignty is one of the expressions of political sovereignty. That is why we affirm the unalienable right of all countries to defend and exploit their basic resources. Therefore we fight for the establishment of a regime of international protection of the environment through regional and international agreements that take into account the legitimate right of States.

The desire on the part of many countries to extend the limits of the territorial sea is a growing and legitimate one. Mexico grants priority to the need to establish a zone of exclusive exploitation for coastal states.

We believe that a new maritime system to establish the rights of coastal states with fairness and precision is indispensable, in view of the present-day needs, and the nature of the conflicts that arise from the possibility that some countries have to exploit their own wealth and that of others.

I would like to give special emphasis, in the presence of this assembly, to the pleasure of my government at the growing affinity of our two countries on these subjects, and on the interest Mexico takes in the valuable precedent Canada has set by establishing a system for the protection and preservation of the maritime species that inhabit the arctic region.

The general and universally compulsory standards that would govern both rights to the sea and the protection of the environment should be included in the Charter of the Economic Rights and Duties of States which is now being drafted by a group of forty countries at the request of the United Nations.

When, at the Third United Nations Conference on Trade and Development, we proposed the adoption of this document by the international community, Mexico outlined the principles of international equity that come from the struggle of the people of the Third World and which are a basic requirement for harmonious coexistence among States.

In an interdependent world, the strategic problem for developing countries is to reorient the trend of their growing trade. We insist that it is necessary for the gen-

respetuoso de la soberanía de sus Estados miembros y porque, entre sus tareas, ocupe un lugar preponderante la coopération económica y social.

Les actitudes neocolonialistas y la injusticia internacional no se reducirán sensiblemente a corto plazo. Hay inercias y barreras que tardaremos en superar. La mejor manera de hacerlo es ampliando los intercambios y unificando las posiciones entre países con intereses semejantes.

Canadá y México han tenido, durante años actitudes similares en algunas de las cuestiones más importantes de esta época. A nuestros dos países preocupa, por ejemplo, encontrar las fórmulas que permitan armonizar el crecimiento industrial y la preservación del medio humano y de los recursos naturales.

La contaminación de la atmósfera, de las aguas y de la tierra, se convierte en una nueva servidumbre cuando es impuesta por las relaciones con países más industrializados. A las pesadas cargas que soportan los pueblos de menor desarrollo, se suma ahora la agresión ecológica que lesiona gravemente su vida, su salud y su economía.

La soberanía económica es una de las expresiones de la soberanía politica. Por eso afirmamos el derecho inalienable de todos los pueblos a la defensa y a la explotación de sus recursos básicos. Pugnamos, en consecuencia, por el establecimiento de un régimen de protección internacional al medio ambiente, conformado por acuerdos regionales y mundiales que toman en cuenta el legítimo derecho de los Estados.

Es creciente y legítima la pretensión de muchos países por extender los límites del mar territorial. México otorga una atención prioritaria a la necesidad de establecer una zona de explotación exclusiva para el Estado ribereño.

Estimamos indispensable la estructuración de un nuevo régimen marítimo que fije con equidad y precisión los derechos de los Estados ribereños, considerando las necesidades contemporáneas y la naturaleza de los conflictos que suscita la potencialidad de algunas naciones para explotar sus propias riquezas y las ajenas.

Deseo subrayar, ante esta asamblea el beneplácito con que ve mi gobierno la creciente afinidad de nuestros dos países sobre estos temas. Asimismo, el interés con que México contempla el valioso precedente sentado por Canadá al determinar un sistema de protección y preservación de las especies marítimas que habitan la región ártica.

Las normas generales y universalmente obligatorias que regirían, tanto el derecho del mar como el de la protección del medio ambiente, deberán contenerse en la Carta de los Deberes y Derechos Económicos de los Estados que ahora se formula por un grupo de cuarenta países por encomienda de las Naciones Unidas.

Al proponer en la III Conferencia sobre Comercio y Desarrollo la adopción de este documento por la comunidad internacional, México delineó aquellos principios de equidad derivados de la lucha emprendida por los pueblos del Tercer Mundo y que constituyen requisitos básicos para una convivencia armónica entre los Estados.

En un mundo interdependiente, el problema estratégico para los países en vías de desarrollo consiste en reorientar el sentido de sus crecientes intercambios económicos.

eral system of preferences, approved by UNCTAD, after painful negotiations, to be fully enforced.

Advantages in trade proportional to the varying degrees of development, are not only a valuable stimulus for the participation of our countries in the large markets, but also a means to accelerate industrialization throughout vast regions of the world and to promote domestic changes in countries that have lagged behind. That will lead to a fairer international division of labor.

The control of the State over the main economic processes is a necessary condition to maintain the autonomy of its political decisions. That is why there is a general concern to study and regulate the characteristics of foreign investment and of ways to absorb technological resources.

Given the stage of evolution of Canada and Mexico, this subject is of decisive importance. Almost simultaneously, both countries have begun systematic research on the effects of an excessive concentration of foreign capital and technology and have adopted or are about to adopt measures to reorganize the participation of these factors in their economic life.

My country's Congress has recently approved a law that promotes national investment and regulates foreign investment. This legislation reflects the different stages of our nationalistic effort. It retains old provisions under which we do not allow foreign investment in strategic spheres of the national economy. Moreover, it defines the economic activities in which foreign capital must be in the minority. It establishes the technical instruments and powers that permit the restriction, orientation or, if necessary, encouragement of capital flow to adjust it to our own objectives of development. Finally, it prevents the acquisition of Mexican enterprises that are functioning efficiently.

Another law for the registration of the transference of technology and the use and exploitation of patents and trade-marks complements our policy on this subject. Within a framework of independence we shall accept and use technology insofar as it adjusts to the aims of our economic policy. We shall try to eliminate practices or stipulations that limit our exports, prevent the development of our own technology, make production more expensive or hinder our autonomous development. In short, we want technology to be an instrument of progress, not of subjection.

There are numerous corporations in the world market that have accumulated a substantial amount of experience. The importance of the changes and scientific advances that these corporations have brought with them can find no objection. Their size is greater than that of many countries and their intervention in domestic matters is a matter of concern even to the large industrialized nations.

However, we cannot accept their actions when they are not bound by the sovereignty of the nation or when they are harmful to the real needs and aspirations of countries. We want to take advantage of their positive contributions for their own benefit and that of our popu-

Insistimos en que el sistema general de preferencias, aprobado tras penosas negociaciones por la UNCTAD, alcance pleno vigor.

Las ventajas proporcionales en el comercio según los grados de desarrollo no sólo representan un valioso estímulo para la participación de nuestros países en los grandes mercados. Lo es también para acelerar la industrialización en vastas regiones del planeta y para auspiciar cambios internos en los países rezagados que conduzcan a una más justa división internacional del trabajo.

El control del Estado sobre los principales procesos económicos es condición necesaria para mantener la autonomía de sus decisiones políticas. A ello se debe la preocupación generalizada por estudiar y regular las modalidades de la inversión extranjera y de la absorción de conocimientos tecnológicos.

En el grado de evolución de Canadá y México este tema tiene una importancia decisiva. De modo casi simultáneo, ambos países han iniciado investigaciones sistemáticas sobre los efectos de una excesiva concentración de capital y tecnología foránea, y adoptaron o están en vías de adoptar, medidas para reordenar la participación de estos factores en la vida económica.

El Congreso de la Unión de mi país ha aprobado, en días pasados, la Ley que promueve la inversión doméstica y regula las extranjeras. Esta legislación, refleja las distintas etapas de nuestro esfuerzo nacionalista. Recoge antiguas disposiciones, según las cuales no admitimos la participación extranjera en renglones estratégicos de nuestra economía. Define, además, las actividades económicas en que el capital foráneo tiene que ser minoritario. Establece los instrumentos técnicos y las facultades que permitirán restringir, orientar, o en su caso alentar, los flujos financieros para ajustarlos a nuestros propios objetivos de desarrollo. Evita, en fin, que se adquieran empresas mexicanas que estén funcionando eficientemente.

Otra ley para el registro de la transferencia de tecnología y el uso y explotación de patentes y marcas, complementa nuestra política en esta materia. Con un criterio de independencia, utilizaremos y aceptaremos la tecnología en la medida en que se ajuste a las finalidades de nuestra política económica. Procuramos eliminar prácticas o estipulaciones que limiten la exportación, impidan el desenvolvimiento de métodos propios, encarezcan la producción o signifiquen obstáculos a nuestro desarrollo autónomo. Queremos, en suma, que la tecnología sea instrumento de progreso, no método de sujeción.

Existen numerosas corporaciones en el mercado mundial que han acumulado una cuantiosa experiencia. Es inobjetable la importancia de los cambios y avances científicos que su aparición ha llevado consigo. Sus dimensiones superan las de muchos países y su intromisión en asuntos internos preocupa incluso a las grandes naciones industrializadas.

No aceptamos que su actuación quede al margen de la soberanía o vaya en detrimento de las necesidades y aspiraciones de los pueblos. Queremos aprovechar sus aportaciones positivas, en beneficio de ellas mismas y de nuestra población. No nos interesa fomentar un progreso

lation. We are not interested in fostering an apparent industrial progress that only benefits large consortiums that are not bound to our national goals.

As a country without sufficient capital resources and technological knowledge, we want foreign companies to cooperate in a process of development that has a social content and to propitiate our dynamic incorporation in world markets.

We struggle to make our progress more than a mere reflection of a metropolitan influence. Decision-making centers must remain within the nation, since to proceed otherwise would be to deny our independence and to deviate from the objectives of development. There are very few countries as well qualified as Canada to comprehend this principle which is so simple and yet so complicated for many to understand.

Mexico will give full support to any initiative that is taken to draw up an obligatory Code of conduct that will regulate the actions of the multinational corporations and establish guidelines for the domestic legislation of the nations concerned. This is a necessary and constructive task in which our two countries might well coordinate their efforts.

In our era a vigorous economic nationalism with characteristics that are different from those of previous stages has been reborn. Then, it was a matter of conquering the effective use of the fundamental rights of sovereignty; of recovering ownership of land and of basic resources; of carrying out essential structural reforms that would cancel out our feudal past and open the way to the advent of an industrial society.

The changes I refer to came from popular movements, which were sometimes violent, or from the establishment of domestic policies that caused deep divisions. On implementing these, countries like ours became isolated from the community of nations and had to struggle alone.

Nationalism today, differently from yesterday, is also an internationalism. It means strengthening the bonds among peoples that have similar needs and aspirations. It represents an effort to make the interests of different and heterogeneous countries coincide and to defend them in solidarity on a world scale.

However, we know that a nationalistic stand held only abroad has no real basis. True nationalism, the nationalism that Mexico and Canada practice, is an effort to achieve social integration and coordination. This nationalism can be measured by the internal cohesion of a community, and by the degree of understanding which prevails among its people, the equality of their living conditions and their effective participation in their common tasks.

Honourable Members of Parliament,

Mr. Prime Minister:

The military and economic power of nations is not the only factor that influences the course of history. Moral authority, creative intelligence, the capacity for change, and the political ability of small and medium-sized countries are the source of some of the great transformations of humanity.

industrial aparente que sólo favorezca a grandes consorcios desvinculados de nuestras metas nacionales.

Como país con insuficientes recursos de capital y conocimientos tecnológicos, deseamos que las empresas extranjeras cooperen en un proceso de desarrollo con sentido social y que propicien nuestra incorporación dinámica a los mercados mundiales.

Pugnamos porque nuestro progreso no sea mero reflejo de una influencia metropolitana. Los centros de decisión deben permanecer en el ámbito nacional. Lo opuesto conduce a la negación de la independencia y a la desviación de los objetivos del desarrollo. Pocos países estarán tan capacitados como Canadá para entender este principio tan simple y que, al propio tiempo, resulta tan complicado para muchos.

México apoyaría, resueltamente, cualquier iniciativa para la elaboración de un Código de observancia obligatoria que regule la actuación de las empresas transnacionales y que sirva como pauta a las legislaciones internas de los Estados. He aquí una tarea necesaria y constructiva en la que nuestros dos países podrían colaborar de manera coordinada.

Renace en nuestra época un vigoroso nacionalismo económico con caracteres distintos al de etapas anteriores. Se trataba, entonces, de conquistar el uso efectivo de los derechos fundamentales que derivan de la soberanía; de reivindicar la propiedad de la tierra y de los recursos básicos; de efectuar reformas indispensables de estructura que cancelaran un pasado feudal y abrieran el camino a la sociedad industrial.

Los cambios a que me refiero surgieron de movimientos populares, a menudo violentos, o de definiciones políticas internas que causaron hondas divisiones. Al ejecutarlas, países como el nuestro, se vieron aislados de la comunidad de naciones y hubieron de luchar en la soledad.

El nacionalismo de hoy, a diferencia del de ayer, es también un internacionalismo. Supone un fortalecimiento de vínculos entre pueblos que tienen semejantes necesidades y aspiraciones. Representa un esfuerzo por hacer coincidentes los intereses de diversos y heterogéneos países y por defender los solidariamente a escala mundial.

Sabemos, además, que una afirmación nacionalista formulada exclusivamente hacia el exterior, carece de sustento real. El verdadero nacionalismo; el que México y Canadá practican, es un esfuerzo de integración y de coordinación social. Su medida es el grado de cohesión interna de una comunidad, el entendimiento entre sus integrantes, las condiciones de igualdad en que viven y su incorporación efectiva en las tareas comunes.

Honorables Miembros del Parlamento,

Sr. Primer Ministro:

El poderío militar y económico de las naciones no son los únicos factores que influyen en el curso de la historia. La autoridad moral, la inteligencia creadora, la capacided revolucionaria y la determinación política de pequeños y medianos países están en el origen de algunas de las grandes transformaciones de la humanidad.

Traditional structures give way under the impact of new ideas and new realities. The duty of all nations, but especially of young nations like Canada and Mexico, is to be aware of the direction of the change and fight for the creation of a society that satisfies the universal aspirations of a peace that is the expression of social justice, harmony and cooperation among all the peoples of the world.

In thanking you in the name of Mexico for the hospitality I am enjoying, I express my wishes for the continuation of the friendship that unites our nations and for the preservation of the proud Canadian spirit which served to conquer this enormous territory and allows your country to advance today along the road of democracy and shared well-being.

[*Translation from French*]

Hon. Lucien Lamoureux (Speaker of the House of Commons): I invite Madam Speaker of the Senate to thank the President of Mexico.

[*English*]

Hon. Muriel McQueen Fergusson (Speaker of the Senate): Mr. President, Mr. Prime Minister, Mr. Speaker, Your Excellencies, Senators, Members of the House of Commons, Ladies and Gentlemen: It is my privilege to say on behalf of my colleagues in the Parliament of Canada that we warmly appreciate this opportunity of hearing at a joint meeting your thoughtful and thought-provoking address. I assure you that not only the people who have heard it today but many thousands of people throughout Canada will be given an opportunity to read it and will be very much enlightened by it.

Your Excellency, you will be aware that joint meetings of our two Houses are not frequent. It is, in fact, only a most unusual and significant occasion that brings the Senate and the House of Commons together as we are today. However, what occasion could be more appropriate for such a meeting than the visit of the distinguished President of our North American neighbour and friend, Mexico.

In the unsettled world of today an event such as this underlines the importance of friendly exchanges between countries, particularly between countries which are linked so closely as our two countries are by inseparable bonds of history and geography. In spite of the geographical proximity of our countries, it is an unfortunate fact that Canadians generally do not know enough about your country, and I strongly suspect that to most of your fellow countrymen Canada is equally unknown. The expansion of tourism is increasing contacts, however, for I am told that in 1971, the last year for which I could secure figures, 15,000 Mexicans visited Canada and 101,000 Canadians visited Mexico.

Returning Canadians tell us there are a number of excellent reasons why our countrymen are spending more and more time in your country. They say that your people are warm and friendly, your climate is salubrious, your scenery is celestial, your food is fire and your firewater is fuel for the blaze. Just to hear of it makes a woman of my age feel young again.

Let us hope that this memorable occasion of your visit to Canada will be an important step toward pro-

Las estructuras tradicionales ceden bajo el impacto de nuevas ideas y de nuevas realidades. El deber de todas las naciones, pero especialmente de jóvenes naciones como Canadá y Mexico, es advertir el sentido del cambio y propugnar la creación de una sociedad que satisfaga las aspiraciones universales de una paz que sea expresión de la justicia social y de la coopéración entre todos los pueblos de la tierra.

Al agradecer, en nombre de México la hospitalidad de que disfruto, hago votos por la amistad que une a nuestras naciones y porque Canadá mantenga siempre el altivo espiritu con que conquistó su enorme territorio y que le permite, ahora, avanzar por el camino de la democracia y del bienestar compartido.

[*Traducción del francés*]

El Excmo. Sr. Lucien Lamoureux (Presidente de la Cámara de los Comunes): Invito a la Señora Presidente del Senado a que dé las gracias al Presidente de México.

[*Traducción del inglés*]

La Excma. Sra. Muriel McQueen Fergusson (Presidente del Senado): Sr. Presidente, Sr. Primer Ministro, Sr. Presidente de la Cámara, Sus Excelencias, Senadores, Miembros de la Cámara de los Comunes, señoras y señores. Es para mí un honor hablar en nombre de mis colegas del Parlamento de Canadá y hacer saber cuán calurosamente apreciamos esta oportunidad de escuchar sus palabras consideradas y reflexivas en esta reunión conjunta. Puedo asegurarle que, no sólo quienes han podido escucharle hoy, sino muchos millares de canadienses, tendrán la oportunidad de leerlas y apreciarlas.

Su Excelencia sabe que las reuniones conjuntas de ambas Cámaras no son frecuentes. Tan sólo en ocasiones muy significativas y poco corrientes, como la de hoy, el Senado y la Cámara de los Comunes se reúnen juntas. En verdad, qué ocasión podría ser más adecuada par tal reunión que la visita del distinguido Presidente de nuestro vecino y amigo de América del Norte, México.

En un mundo inestable como el de hoy, este hecho subraya la importancia de intercambios amistosos entre los países, especialmente entre países tan estrechamente vinculados como lo están nuestros dos países por lazos históricos y geográficos inseparables. A pesar de la proximidad geográfica de nuestros países, es lamentable el hecho de que, por lo general, los canadienses no conocen bastante el país de ustedes, y tempo que, para la mayoría de sus paisanos, Canadá es también poco conocido. Sin embargo, la expansión del turismo está haciendo mayores estos contactos y las cifras de 1971, año del que pude encontrar estadísticas, muestran que 15.000 mexicanos visitaron Canadá y que 101,000 canadienses visitaron México.

Los canadienses que vuelven de su país nos dicen que existen numerosas y excelentes razones por las que nuestros compatriotas visitan cada vez más su país. Dicen que su pueblo es afectuoso y amistoso, el clima saludable, los paisajes celestiales, la comida de fuego y el aguardiente llama viva. Tan sólo oir esto me hace sentir joven de nuevo.

Esperemos que la memorable ocasión de su visita a Canadá será un paso importante en el fomento de rela-

moting contacts at all levels between Mexico and Canada and toward developing our mutual understanding and interests.

[*Translation from Spanish*]

Mr. President, your presence and that of Her Excellency Madam Echeverria has been a great honor for us.

[*English*]

We are also honoured on this important occasion by the presence in this chamber of the distinguished members of your official party. May I say to you, Mr. President, and to all members of your party that we are very pleased to have you with us today.

Mr. President, my colleagues in the Senate and the House of Commons also would like to express to you our most sincere thanks for the outstanding address you have just given to us. You have deeply impressed us with the eloquence with which you have spoken of longstanding ties and things that might happen in the future. It is clear to all of us here that, even with diversity of languages, our two countries and peoples have many things in common.

[*Translation from French*]

Your visit and your words are drawing closer the bonds between our two countries.

[*English*]

The enthusiastic acclaim with which my colleagues received your message of friendship and good will must surely convince you of the respect and affection we have for you and for your great country. We extend to you our warmest wishes for the continued success of your visit in Canada and for the balance of the extended tour you are taking. When you return home, Mr. President, we would ask you to convey to the members of your Congress the most sincere good wishes from my colleagues in both Houses of the Canadian parliament.

Mr. Speaker: Members of the House and Senators, l'assemblée est levée. We shall now adjourn.

ciones a todos los niveles entre México y Canadá, así como un mejor entendimiento de nuestros intereses mutuos.

[*Español*]

Senor Presidente, la presencia de Su Excelencia y de la Senora de Echeverria nos hizo un gran honor.

[*Traducción del inglés*]

En este acontecimiento tan importante nos honra, asimismo, la presencia en esta cámara de los distinguidos miembros de su comitiva oficial. Sr. Presidente, permítame decir a Ud. y a todos los miembros de su comitiva que nos es un gran placer tenerles con nosotros en el día de hoy.

Sr. Presidente, mis colegas en el Senado y en la Cámara de los Comunes quisieran igualmente expresarle a Ud. nuestras gracias más sinceras por el discurso tan sobresaliente que nos acaba de pronunciar. Nos ha impresionado sumamente con la elocuencia con que ha hablado de los vínculos de muchos años y de cosas que pudieran ocurrir en el futuro. Nos es muy claro a todos nosotros que aun con la diferencia de idiomas, nuestros dos países y pueblos tienen muchas cosas en común.

[*Traducción del francés*]

Su visita y sus palabras sirven para hacer más estrechos los vínculos que existen entre nuestros dos países.

[*Traducción del inglés*]

El aplauso tan caluroso con el que mis colegas han recibido su mensaje de amistad y buena voluntad, debe seguramente convencerle del aprecio y afecto que sentimos por Ud. y su gran país. Le hacemos llegar nuestros más sinceros votos por el éxito continuo de su visita a Canadá y el resto de su largo viaje. A su regreso a su país, Sr. Presidente, le rogamos extienda a los miembros del Congreso los saludos más sinceros de mis colegas de ambas Cámaras del Parlamento Canadiense.

Sr. Presidente: Miembros de la Cámara y Senadores, se levanta la sesión.

APPENDIX "B"

(*See p. 451.*)

European Force Improvements in 1973

1. There is full agreement among member countries of the Eurogroup that Alliance security, and the prospects of successful negotiation towards genuine East/West détente, continue to require resolute and sustained defence effort by all NATO members in view of the unabated growth in the already formidable Warsaw Pact strength.

2. Against this background, the main thrust of European defence effort within the Alliance for 1973 will be, as in 1971 and 1972, the improvement of NATO-committed forces in line with NATO's "AD 70" studies. Since the initial AD 70 report was completed in December 1970, the Eurogroup countries have increasingly been shaping their ongoing defence programmes, where necessary, to concentrate on deficiences in Alliance defence highlighted in the report. The positive results were demonstrated in the communiqué of the Ministerial meeting of Eurogroup in December 1971. This clearly brought out that, quantitatively, the great bulk of the common NATO defence forces in the European theatre is contributed by the European member countries, and that they are steadily enhancing the quality of this contribution. This effort is undertaken to improve the effectiveness of collective defence, as a counterpart to the undiminished presence of US and Canadian forces in Europe, which remains a crucial factor in maintaining the security of the Alliance as a whole.

3. Last December's communiqué gave details of the extensive Eurogroup measures in 1971 and 1972. The momentum will be maintained in 1973. The planned defence budgets of member countries are in total at least one-and-a-half billion dollars higher than in 1972. This is expected to be more than sufficient to allow for pay and price increases. There will therefore be in 1973, as in 1971 and 1972, a real improvement in European defence effort. Major new equipment to be brought into service by Eurogroup countries within the next year, in areas of capability identified by AD 70 as critical, includes the following examples:

Improvement of NATO's Armour/Anti-Armour Capability

387 main battle tanks
1610 other armoured vehicles
205 anti-armour weapons, including missile launcher

Improvement of NATO's Air Capability

115 modern combat and maritime patrol aircraft
61 communications aircraft
18 heavy tactical transport aircraft
125 land-based helicopters
1936 anti-aircraft guided missiles
930 anti-aircraft guns

Improvement of NATO's Naval Capability

3 destroyers/escorts
11 submarines (including two nuclear-powered)
4 minelayers/sweepers/hunters
6 patrol boats
7 vessels for amphibious operations (including one commando ship)
28 maritime helicopters

4. Measures such as these will considerably improve the NATO contribution of Eurogroup members, but they fully recognise that much more remains to be done, by all members of the Alliance. They will continue to keep a special collective watch over the development of their own AD 70 effort.

APPENDIX "C"

(*See p. 451.*)

DEFENCE EXPENDITURES OF NATO COUNTRIES 1949-1972

The figures given in the attached table represent payments actually made or to be made during the course of the calendar year. They are based on the NATO definition of defence expenditures, In view of the differences between this and national definitions, the figures shown may diverge considerably from those which are quoted by national authorities or given in national budgets.

The figures relating to the United States and Canada include expenditures for military aid programmes. The figures shown for European NATO countries do not include the value of end-items received under military aid programmes from the United States and Canada.

TOTAL DEFENCE EXPENDITURES OF NATO COUNTRIES
(Current Prices)

Country	Currency Unit	Actual											Forecast
		1949	1954	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Belgium	Million Belgian Francs.	8.273	20.707	23.596	26.241	26.606	28.169	30.396	32.676	33.892	37.502	39.670	44.750
Canada	Million Canadian $	372	1.771	1.712	1.813	1.659	1.766	1.965	1.927	1.899	2.061	2.131	2.146
Denmark	Million Danish Kroner.	360	885	1.651	1.764	1.974	2.080	2.249	2.591	2.640	2.757	3.195	3.210
France	Million Francs	4.787	11.710	22.849	24.280	25.300	26.732	28.912	30.200	31.700	33.200	35.000	36.800
Fed. Rep. of Germany (a)	Million DM	—	6.287	19.924	19.553	19.915	20.254	21.408	19.310	21.577	22.573	25.450	28.987
Greece	Million Drachmae	1.630	3.428	5.385	5.647	6.290	7.168	9.390	11.003	12.762	14.208	15.480	16.715
Italy	Milliard Lire	301	543	1.031	1.118	1.212	1.342	1.359	1.403	1.412	1.562	1.852	1.947
Luxembourg	Million Luxembourg Francs	112	565	348	462	477	497	413	374	391	416	442	519
Netherlands	Million Guilders	680	1.583	2.307	2.661	2.714	2.790	3.200	3.280	3.682	3.968	4.466	4.922
Norway	Million Norwegian Kroner	370	1.141	1.465	1.570	1.897	1.947	2.097	2.300	2.502	2.774	3.022	3.318
Portugal	Million Escudos	1.419	2.100	5.724	6.451	6.680	7.393	9.575	10.692	10.779	12.538	14.699	16.559
Turkey	Million Liras	556	934	3.157	3.443	3.821	3.996	4.596	5.159	5.395	6.237	8.487	9.669
United Kingdom	Million £s Sterling	779	1.569	1.870	2.000	2.091	2.153	2.276	2.332	2.303	2.444	2.810	3.079
United States	Million US $	13,503	42.786	52.295	51.213	51.827	63.572	75.448	80.732	81.443	77.854	74.862	79.528
AREA													
Total Europe (b)	Million US $	4.838	11.756	18.784	19.733	20.606	21.512	23.033	22.333	23.299	24.607	27.442	32.900
Total North America	Million US $	13.875	44.557	53.879	52.890	53.362	65.205	77.265	82.515	83.199	79.760	76.833	81.666
Total NATO (b)	Million US $	18.713	56.313	72.663	72.623	73.968	86.717	100.298	104.848	106.498	104.367	104.275	114.566

(a) Before it acceded to the North Atlantic Treaty Organization (May 1955), the Federal Republic of Germany contributed to the defence budgets of certain NATO countries by the payment of occupation costs; moreover, it bore certain other costs which also fall within the NATO definition of defence expenditures (NATO definition), the German authorities are obliged to incur large annual expenditures for Berlin owing to the exceptional situation of this city and the need, in the interests of the defence of the free world, to ensure its viability. These expenditures, which are not included in the figures given above since they do not come within the NATO definition, are forecast to be 5.685 million DM in 1972.

(b) The totals for Europe and for NATO do not include defence expenditures of the Federal Republic of Germany for 1949 and for this reason they are not directly comparable to the totals for the following years. Moreover, as these totals have been established on the basis of the official exchange rates in force, comparisons made between two successive years could be slightly distorted if one or more countries modified their exchange rates during the course of one of these years.

THE SENATE

Wednesday, April 4, 1973

The Senate met at 2 p.m., Honourable Maurice Bourget, P.C., Speaker *pro tem,* in the Chair.

Prayers.

WAR VETERANS ALLOWANCE ACT

REPORT OF COMMITTEE

Hon. Chesley W. Carter, Deputy Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-148, to amend the War Veterans Allowance Act, and had directed that the bill be reported without amendment.

The Hon. the Speaker *pro tem:* Honourable senators, when shall this bill be read the third time?

Hon. Mr. Carter moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

OLD AGE SECURITY ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Denis for the second reading of Bill C-147, to amend the Old Age Security Act.

[*Translation*]

Hon. Martial Asselin: Honourable senators, I should like to say, first of all, that I am happy to speak today, particularly while we have as Speaker *pro tem* Senator Bourget who, according to the Constitution, is the senator representing my former constituency. I am anxious to tell him that our constituents are aware of this and often ask me when he will pay us a visit to apprise himself of the economic needs of our region. I therefore take this opportunity to tell Senator Bourget that he will always be welcome in Charlevoix, his constitutional constituency. Again, I express my pleasure in rising today while he is in the Chair.

Honourable senators, I have followed with great interest the introduction of Bill C-147. I must confess that Senator Denis surprised me.

Hon. Mr. Denis: Pleasantly?

Hon. Mr. Asselin: I knew him when he was in the other place, where I used to consider him as a specialist in post office matters as it will be remembered that when he was—

Hon. Mr. Argue: In robberies, counter robberies.

Hon. Mr. Asselin: —in the Opposition, he was the Postmaster General's most active helper in the search for post office robbers. Not a day went by without Senator Denis looking for thieves. And our minister at the time, the Honourable William Hamilton, was very embarrassed by the questions he asked in the House of Commons.

Hon. Mr. Langlois: He drove them out of the temple!

Hon. Mr. Asselin: He was driving thieves from the temple, but we were never aware of it. The fact remains that through his intervention the thieves were always caught.

I never thought that Senator Denis would show so much compassion for older citizens. He spoke with so much conviction that I wondered if he already belonged to that group or if he merely wanted to try to convince us that his government, with its usual liberality, has just discovered that the aged were entitled to a more generous treatment. I wondered about his statement and this morning when I checked the Parliamentary Guide, I found out that the senator had some personal interest because, and I congratulate him accordingly, he already belongs to that select group of pensioners.

In any case, as already mentioned by the whip of my party, Senator Macdonald, the representatives of the Official Opposition approve the bill and we will support it while emphasizing that a much more generous legislation would have contributed further to help our old people to end their life with honour and dignity.

In considering this legislation, honourable senators, we must, I think, ask ourselves two questions: Through this legislation, do we mean to be really fair to our senior citizens or just show them more compassion?

Too often, we are inclined to forget how much we owe our senior citizens. These are the people who, through their efforts, their work, their labour, have made it possible for this generation to live in a prosperous country where we enjoy one of the highest standards of living in the world.

But what we must not forget is that they are entitled to their fair share of our national prosperity. They should not worry anymore, at the age of retirement, about housing, food and well-being, because they have largely deserved the rest which they are now enjoying.

Of course, it will be said that $100 a month is better than $82.88. Granted, and this is why also that, considering this improvement, we, of the Official Opposition, are going to vote for the bill now before the Senate.

• (1410)

[*English*]

I would not want anyone on your side of the house to think I had been taken in. I would not want anyone on the government side to think that the Official Opposition is not aware of what this sum represents. This government collects money from the taxpayer as Jesse James did from the railway companies and handles it as Jack Benny does, with a broken arm.

[*Translation*]

Honourable senators, the Liberal party came back to power in 1963. Had the old age pension followed the rise in the cost of living index, our old people would now be entitled to a pension of over $107 a month at least.

Let no one tell us that this bill is an example of the government's generosity. I shall never believe either that by acting as it did the government had no secret political motive, that of getting the votes of the senior citizens, though heaven knows it needs to keep all its votes and get new ones if it wants to stay in power. I must admit, however, that the electoral strategy of the government was subtle.

I shall never condemn with more vigour, more violence, the attitude of the NDP which, since the beginning of the session, has played politics with the pension increases. I have an example of it in the attitude adopted by the leader of that party with regard to Polymer. When the no confidence motion was put before the House of Commons, Mr. Lewis, Leader of the NDP, condemned the transaction vehemently and blamed the government in the harshest possible terms. The next day, when the motion was put to a vote in the House, he justified his having voted with the government saying that he did not want to deprive the old people of the pension increase then before the House.

Since the beginning of this session the New Democratic Party has engaged in petty politics about pensions to veterans and old people, and because of that, because of the position it takes in the House of Commons, I think that party is about to disappear and we shall see in the next election that people will give them the treatment they deserve.

With an increase to $100 a month, our pensioners do not even have the purchasing power they had in 1963, because old people too are suffering from the inflation brought about by the government. This is why I say that $100 a month today is not worth the $65 they were getting in 1963.

Is that really social justice or is it not rather just another kind of "goodies" offered to us by our Prime Minister in the last election campaign?

• (1420)

[*English*]

If the government really wanted to follow the concept of justice and fair play, if they really wanted to raise old age pensions, they should have been thinking in terms of something like $200 and more a month.

It is for us to decide what we want for our pensioners. Do we want to give them just enough to prolong their misery, just enough to watch them starve to death? Is this what we want? Is this what we are determined should remain in Canada? Is this the best we can do in Canada, a country that has one of the highest standards of living in the world? No, honourable senators. We can do better. We can do a hell of a lot better. We can guarantee our senior citizens an annual income that will permit them to retire in dignity, that will permit them to enjoy the winter of their lives, that will permit them to stop worrying about how they are going to keep body and soul together. We can guarantee them an annual income that will give them enough, not to live in the lap of luxury but to enjoy a few of the small, innocent pleasures of life. That we can do, and that we should do.

[*Translation*]

Honourable senators, how can the $200 a month be justified?

Two years ago, the Special Senate Committee on Poverty suggested a poverty line. It suggested that any person in Canada who had an income of less than $2,140 a year was living in poverty. That was two years ago; that was before the consumer price index went up 2.9 per cent in 1971 and 4.8 per cent in 1972. The cost of living is 7.7 per cent higher now than two years ago. So, if the Senate committee were to revise its figures now, the poverty line, for each Canadian, would be around $2,304.78 a year.

In 1971, Statistics Canada said that a wage earner should get $2,013 a year, and that, if his income was lower, he lived in poverty. Now, that figure, if we take into account inflation since 1971, should read $2,168 annually.

Last night, I heard Senator Croll, who likes to say he is the Senate's advocate on poverty and I have no doubt about it because he did a fine piece of work as chairman of the Committee on Poverty. But, I would have liked it very much if Senator Croll had told the Senate to what extent his government—the previous Liberal government and the present one—has taken into account the recommendations of the Committee on Poverty, by setting the pension at $100 a month. He forgot to tell us.

If I may embark on a digression, I said—when I spoke for the first time in this house—that to keep the credibility and the respect of the Senate among the people, any government, Liberal, Conservative, Créditiste or NDP, should take into greater consideration the findings of the Senate committees in different areas and should take their recommendations into account. If the government in power gives consideration to the recommendations of the Senate committees, I feel that the Senate will have a better reputation among the people and that its existence will be justified.

[*English*]

Why give everyone $200 a month? First of all, because it will keep their heads above water. They can live instead of simply existing. Secondly, because it is simple and would cost less in terms of administration and in terms of bureaucracy.

Some will argue that even the well-to-do would then be getting this greatly increased pension, which would not seem fair. The answer is: Yes, the well-to-do would receive a $200 a month pension. And why shouldn't they? They are retired. They contributed to the fund during their years in the work force, and are therefore entitled to receive this pension. Of course, it will be argued that they do not need it, and with that I agree. So what do we do? We take it back from them by means of an adjustment in their income tax, which would be a very simple procedure and less expensive to administer. But I am not finished yet. I should like to see this bill recommend a pension of $200 a month. I should also like to see a clause in the bill guaranteeing that the pensions would increase in direct proportion to the increase in the cost of living. Taking that a step further, I should like to see the pensions increased

in direct proportion to the projected inflation rate for any given year. By that I mean that if we foresee in December 1973 that the inflation rate for 1974 is likely to be somewhere around five per cent, then the old age pensions should be increased by five per cent starting in January 1974. We should not wait until the end of the year to increase the old age pension to take into effect the inflation rate for the year just coming to an end. If we do this, the pensioners will always be lagging behind; they will always be short to the extent of the inflation rate for that year.

Finally, I should like to see the age of eligibility lowered. Many people who are not quite old enough to qualify for old age security payments are in need of economic assistance. I feel we should lower the age of eligibility to 60. If this were done, it would be an incentive for people to retire at that age. The idea is not put forward as a method of solving our horrendous unemployment problem, because many of these jobs would not necessarily be available for the unemployed. Rather, this idea is meant to be some help to the many who are in their early sixties and are unwell, to the many who are no longer physically capable of performing their jobs and yet have to wait for three, four or five years before receiving the old age pension.

• (1430)

The idea is to help these people so that they will not be forced to turn to welfare assistance. To many of them that idea is unacceptable; it is degrading. Consequently, what they are doing is struggling on in jobs they no longer have the physical strength to cope with, because they do not want charity. We do not want to see these people running themselves into an early grave. We do not want to see them working when, for reasons of health, they should not be. We do not want to see this any more than we want to see anyone living in poverty.

I therefore submit to you, honourable senators, if we want to be fair to our pensioners, if we do not want to see them struggling along in conditions of poverty, we must guarantee them an income that will permit them to live in dignity, with a basic degree of comfort, both physical and psychological. For this they now need a basic pension of $200 a month, and that pension will have to be increased in direct proportion to the projected rate of inflation for any upcoming year.

As I have said, I believe that we should reduce the age of eligibility. The tempo of life being what it is, and what it has been for much of this century, many people are burnt out at 60 years of age. They could live many years more, but they are not capable of very much in the way of concentrated work. They are victims of the times. We should not further victimize them by forcing them to work between the ages of 60 and 65 while they wait for a pension.

In closing, let me emphasize that the $200 a month pension, with subsequent increases in proportion to inflation, is a matter of equity and justice. This is not charity, nor should anyone think it is any outstanding example of state generosity. If a country as wealthy as ours cannot give its senior citizens sufficient financial support to keep them out of poverty, then something is drastically wrong, our economic principles need attending to. If we will not, then it is our basic moral and philosophical principles that need revamping.

Honourable senators, the changes I have advocated are necessary. Anybody satisfied with less has a wrong sense of justice and cannot honestly claim to be concerned with the plight of our senior citizens. I will vote for this bill, because it is better than what we now have.

[*Translation*]

Now, I should like to make a strong recommendation to this assembly, so that they will pay more attention to this important problem. I think that we must, from time to time, pay a visit to the old people's homes, go and see these people, speak to them, and argue with them. I am sure that many of my colleagues have done this, for it is during such visits that one can really appreciate the urgent needs of these people, especially when one knows that the managements of these homes collect almost all of these people's old age security income in return for the board they supply. I know something about this. I recently had the opportunity to visit an old people's home, and there I met an elderly couple who had no income whatsoever except their pensions. Just about all of their pension was taken away from them, and they were left with $10 for emergencies.

Hon. Mr. Langlois: Ten dollars each, or—

Hon. Mr. Asselin: Ten dollars each. But, honourable senators, how can you expect these people not to have problems and worries about the years ahead? As I already said, they have to put up with inflation just as we do; when they buy boots or shoes, they pay the same price as we do. They also have to face the need for clothing, and the need for drugs and, God knows, after a certain age you really do need drugs and medical care! I am not against the bill. But, honestly, I suggest that our government should cut down on various areas of expenditure, and try to be more generous towards the people who built this country of ours. It is thanks to them that we enjoy our present standard of living, and that we live in a century of discoveries, of inventions that benefit the whole population. It is they who built the century in which we are now living. I am inclined to think that we are offering them a pittance when we say to them: Here is $100 a month to pay for all your needs! And, God knows, these people have a sense of personal pride and honour.

Those people do not complain but they suffer morally. They suffer inside themselves because they have no money.

Honourable senators, I say that the Senate is the right place to try to make appropriate recommendations, whatever the government in power happens to be, to put some figures before them, to identify the urgent needs of those old people who look to us often and ask us: what, as legislators, are you doing for us? It is true that all governments will do the same thing; just before an election they will grant them an increase of $5 a month, and then they will say: all right, we have the vote of the old people!

I think that that time is past, that the legislators who want to be just, those who have compassion for the needy, must consider that problem in a more objective way and that is the wish I make in conclusion. I wish that our friends from the government side, even though they are

there for a limited time, would make recommendations to whom it may concern, and when we take office, we, from the Official Opposition, will be happy to consider the recommendations that you will bring forward.

• (1440)

[*English*]

Hon. Mr. Connolly (Ottawa West): May I ask Senator Asselin a question? If I followed his description of the case he outlined, I gather that the couple who were in the institution to which he referred had as their only source of income the old age pension. It would seem to me that, if that were the case, this couple would also qualify for the guaranteed supplement. I forget what it is for a couple, but I understand for a single individual it could be $70 a month, if there is no outside income.

Hon. Mr. Croll: It would be $325.

Hon. Mr. Connolly (Ottawa West): Yes, $325. Could Senator Asselin tell us in the case of that couple whether, in fact, they do qualify for the supplement?

In the second place, and this is not a disputatious question but I think it is worthwhile raising it, if his figure of $200 a month is a magic figure and if they do qualify for the supplement, might it not be better that the increase be given by way of the supplement rather than on a universal basis of $200 a month?

[*Translation*]

Hon. Mr. Asselin: Yes, I wish to reply to the question that was asked by the Honourable Senator Connolly (Ottawa West). What I meant to say in my speech—I do not know if that meaning was well grasped—was that we should stop making enquiries to determine whether a person needs the guaranteed supplement. Whenever people apply for a guaranteed supplement, the federal authorities, as empowered under the law, start investigating here and there, and this is a further humiliation for the people who applied for it. Investigators look into bank accounts. They contact the families trying to find out whether there is someone who could help those who are applying for the guaranteed supplement. That is precisely what I wish could be prevented. I may not have been clear enough, but that is precisely what to my mind should be avoided, this harassing of those who are most in need of the guaranteed supplement but who are forced to put up with the police-like investigations, as one could say. They have their income scrutinized from all sides, their neighbours and relatives are required to give information. I think that when people get to be 65 or 70 years old, such a procedure is humiliating. It should not exist in a country like ours.

[*English*]

This is why I suggested having a minimum income revenue of $200 without any investigation. I think that will answer your question, senator. Moreover, today, if you want to get this supplement, you have to fill out an application form. After that form is processed there is then an investigation. They go to your bank, and they question your neighbours and relatives. To my way of thinking this is just another means of humiliating people who are in need.

[*Translation*]

Hon. Mr. Langlois: May I ask the honourable senator a question? Would he go so far as to suggest that the provisions of the Quebec Civil Code concerning the upkeep of parents by their children should be abolished?

Hon. Mr. Asselin: Not at all. Besides, I would tell my honourable friend that I acted as counsel in a case involving needy parents and that I won my case before the Court of Appeals, in Quebec City.

Hon. Mr. Langlois: Was it a preliminary hearing?

Hon. Mr. Asselin: Of course, I acted as counsel, not as a politician.

Hon. Mr. Langlois: I did something like that once myself.

Hon. Mr. Asselin: I said that we should not—you know it is a natural right which exists in the Civil Code but I think that if children care, they will help their parents without the latter having to call on that section of the Civil Code to get help but if they do not care of course this section of the Civil Code is used which says that children must help their parents when they are in need and vice versa. No, I think that we should not abolish the natural right, it is a natural right which is embodied in a section of the Civil Code which I have quoted. No, I do not go that far. I think that the natural right should be left in its place.

Hon. Mr. Molgat: Would Senator Asselin permit a question? Honourable senators, at the beginning of his remarks it seemed to me that Senator Asselin stated that perhaps there was a conflict of financial interest on the part of my honourable colleague and, if possible, I would like to clarify this suggestion. I have been through our rules and I found under 49(1)(b) that Senator Denis is absolved and that perhaps under 75(1) he is absolved in the same manner. But I think I understood, from the remarks of Senator Asselin, that perhaps there was a question, in his opinion, and I would like to clarify this point to enable, if I may say so, the soul of my honourable colleague Senator Denis to rest in peace.

Hon. Mr. Asselin: Honourable senators, of course when I alluded to personal interest, I said beforehand that I had been through the Parliamentary Guide and realized that Senator Denis had already joined the "club" of those entitled to pensions. This is what I meant. I do not think that I said that Senator Denis had received any money to introduce this bill. This was the point of my remark. I think all senators understood it but I wish to thank my honourable colleague for giving me an opportunity to elaborate on this question.

Hon. Mr. Denis: Do not go to war to make peace with me.

[*English*]

Hon. Mr. Carter: Will the honourable senator permit one more question? I did not want to interrupt him during his excellent presentation, but he will recall that he started out his remarks by referring to Senator Denis as an expert in postal matters and to his valiant efforts as a critic of the Post Office when he was in the Opposition.

To make the record complete and in the interests of giving Senator Denis his full credit, has my honourable friend Senator Asselin forgotten that Senator Denis was

also an expert on the Bomarc, particularly as a means of delivering mail.

Hon. Mr. Asselin: I agree.

Hon. Hazen Argue: Honourable senators, I am sure we have all enjoyed the remarks of Senator Asselin, and I am sure that those of us who are equally interested in the welfare of our old age pensioners will welcome his strong plea on their behalf. He is certainly an advocate in this house of something more being done for our elderly citizens. However, I do question whether the specific suggestion he made would at this particular time constitute the best use of available public funds.

• (1450)

It seems to me that if one should adopt the principle that there should be a pension or an income of $200 a month, one could be justified in saying that this income should be available not only to those who have reached the age of 65, or to those who have reached the age of 60—if it should be reduced to that age—but to any adult Canadian who through some misfortune is not able to have and enjoy an adequate income, whether that person be aged 40 or 50, or any other age. In other words, honourable senators, a guaranteed minimum income. I, for one, believe that as a Parliament we have been derelict in our duty inasmuch as we have concentrated almost exclusively on the welfare of our citizens reaching the age of 65 while not concentrating sufficiently and not concerning ourselves sufficiently with the plight of those who are in other age groups but who have a much smaller income. I suggest that there are practical measures already available to the various authorities in this country to provide, if it is so desired, an income of $200 a month for people of 65 years of age and older. The lead was taken by the government of British Columbia, and the Prime Minister of this country agreed that Ottawa would share in the additional cost. Now, my friend who is a prominent and influential member of the Conservative Party might suggest that this kind of leadership should be undertaken by Ontario, which is a very wealthy province and which in my judgment, together with some other provinces, I might add, has not been doing nearly as much as it could do for people living on lower incomes.

It is easy to play politics with this issue, but Conservative governments and Liberal governments have from time to time increased the amount of the old age pension. The record of Liberal governments over the years has been a good one. I have in my hand the dates and figures of increases, which show that when the last Conservative government left office in 1963 the old age pension was payable to people aged 70 and was in the amount of $65 a month. Since that time, step by step, the old age security income has been increased to the present $100 a month and, as of December 21, 1966, again under a Liberal government, a monthly guaranteed income supplement was initiated. This sum now amounts to a maximum of $70 per month, but when it is paid on top of the old age security of $100 a month, it provides a person in need with an income of $170 per month, if he or she is single. I personally would go for the payment of $200 per month, as I am sure we all would.

There is something else, however, that really bothers me, and it is a situation which I find among my neighbours. Let me explain first of all that I live in a small hamlet from which I operate a farm. I know my neighbours and I know that the people who are suffering are not just those who are aged 65 and over. In fact, those who are suffering from lack of income have not, in many instances, yet reached the age of 65. They are people who have very little income. If they have to depend on welfare, their incomes are exceedingly low. So we have the situation where they go from a small income at, say, 64 years of age to a much better income at age 65. They find themselves then in a community and under circumstances where rents and many other costs are low, with quite an acceptable income. I am proud personally that some of these people when they reach 65 and receive the pension and the guaranteed income supplement feel like real men and real women, because they can walk around town with a few dollars in their pockets and with a great deal of self-respect. So, honourable senators, we can welcome suggestions that the age should be lowered to 60. In accepting that such an improvement should be made, and in campaigning for adequate treatment for our elderly citizens, we should not forget or overlook those of our citizens who have even a much lower income.

Mr. Stanley Knowles of the other place is well known across this country as a great campaigner for an increase in the old age pension on a no-means-test basis, and that is fine. That is the position he takes. In this chamber, the lead in promoting reform in this field is taken by Senator Croll. His stand is that there should be a guaranteed income for all Canadians, irrespective of age, that if their circumstances should require it they should receive the guaranteed income. I am proud to stand with Senator Croll on this question. I support the principle he is enunciating and following. I am also very sympathetic to the position taken by the Minister of National Health and Welfare, who has a difficult role to play. Our old age pensioners are quite powerful in a political way, and I am glad they are, but when we move from considering something for old age pensioners to considering those who are on welfare—mothers with children, or fathers who are disabled—we find that they lack political power and political organization. Therefore, it is more difficult to move the country and the provinces to do something for these people—even when, I suggest, that something is very greatly deserved.

Let me give you an example that was brought to my attention the other day. I know a man and wife in Saskatchewan who are both on the old age pension. She has been treated in hospital on a number of occasions for extensive periods in recent years. He had no particular complaint about his economic position; she was in the hospital and the provincial government was paying for her hospitalization. Medicare is shared by the federal government and the provincial government and the bills were paid and she received her old age pension cheque. But now she is in a nursing home in Saskatchewan. The government of that province, which says it is a great humanitarian government, allows the people in these nursing homes the munificent sum of $15 a month, for all their needs over and above room and board. So, this lady is in a nursing home which costs $400 a month. Her husband, who is a friend of mine, came to me the other

day and said, "Hazen, isn't there something to be done? I can stand this for a few months, but if my wife has to stay there for a few years we will end up by being broke. We will spend everything we have and our nest-egg will be gone."

So, while I am all in favour of a campaign for higher incomes for everybody—just find out when they were born and send them some money—I am even more in favour of having a look at the circumstances of people, person by person, across this country. On this basis, I would say that my friend of whom I have just spoken would have a much greater claim on our support and sympathy and on the national treasury than some others, some of whom are fortunate enough to be in the Senate and have independent means and who say, personally and privately, "It doesn't matter to me if the old age pension goes up. I couldn't care less; I don't need it." I think we should be looking to those who really need it.

• (1500)

I am not using this in a political sense. I want to help these people. If the government of British Columbia helps its old people, God bless that government. That is great. But I am from Saskatchewan and I am informed—I hope wrongly but I am afraid accurately—that on April 1 with the provincial government's approval the cost for staying in some of these nursing homes—and I have a letter in my hand to bear this out—went up by $33 a month. So, the pension cheque goes up only $17. The Saskatchewan government is taking no chances. It sent a letter out soon after the Speech from the Throne was delivered in Ottawa, and as of April 1, just two days ago, nursing home costs were increased from $150 a month to $183 a month. So, I say that that is where we should be campaigning. We should endeavour to do everything we can to see that the increase we are providing now is passed on to every old age pensioner.

I understand that the federal government has said that where it operates homes or buildings under the National Housing Act it is making certain that the increase is passed on to the pensioners. I wish our Minister of National Health and Welfare luck in dealing with the provinces in his endeavour to ensure that what we are doing today is, in fact, passed on to those who need it most.

Some provinces are doing better than others. I have in my hand a table which came to my office from the federal Department of National Health and Welfare, dated March 28, 1973. This table is supposed to contain the most up-to-date figures available for supplementary allowances for nursing homes throughout the various provinces. The present monthly rate for comfort allowances, including everything over and above room and board, is $20 for Newfoundland, $15 for Prince Edward Island, $20 for Nova Scotia, $15 for New Brunswick, $25 for Ontario, and $14.21 for Manitoba, if the person is socially active. If the person is socially inactive, the comfort allowance in Manitoba is reduced to $5 a month. The monthly rate is $15 for Saskatchewan, $30 for Alberta, and $23.60 for British Columbia.

The situation is different in the province of Quebec, and I am pleased to report that a Quebec Liberal government is showing the rest of Canada some real leadership in this field. On April 1 Quebec increased its comfort allowance from $40 to $50 a month for a single person living in a nursing home, and $42.50 each for a couple. I suppose that some of us would say that $50 is not enough, but when you compare $50 to $15 or $5 you realize that Quebec is showing some real leadership here. This very commendable step taken by Quebec should be endorsed by every members of this Chamber.

Under this legislation a couple receiving the old age pension, plus the guaranteed income supplement, can get $325 a month. The latest figures I have for New Brunswick show that parents with two children on social welfare receive $187 a month, which, despite the cost of having to raise two children, is $140 less than that received by an adult couple on the old age pension. Those children are being raised in abject poverty.

The figures I have for Ontario show that two adults with two children on welfare receive $271 a month. So, in the great and wealthy province of Ontario, four people on welfare, two adults and two children, receive some $50 a month less than the maximum provided under this legislation for two people on the old age pension.

Hon. Mr. Connolly (Ottawa West): Does the honourable senator know whether the family allowance payments are included in, or are in addition to, that figure?

Hon. Mr. Argue: No, I should qualify that statement. The family allowance of about $8 a month, and sometimes $10 for a child who is in high school, is in addition to that amount. I thank Senator Connolly for his question. I should point out that I am comparing income from social welfare to income from old age security. I suppose, in order to be 100 per cent accurate, I should include the amount of the family allowance. But, my goodness, when we are talking about these matters I almost hate to mention the family allowance because it amounts to so little.

I know a couple with six children in the city of Ottawa who were on welfare until a few months ago when the father was fortunate enough to obtain a job that paid him somewhat more than he had been receiving on welfare. He was happy to take the job because it added to his income. He had had a bad experience before that time. He had another job that paid him less money than he received on welfare, and by working he merely took food out of his children's mouths. That was not an incentive to work. But he has found a somewhat better job, and he is off welfare today. A few months ago this family of two adults and six children, living in the city of Ottawa, had a total income, apart from family allowance, of $371 a month. This works out to about $8 for each of the children over and above the amount that would have been paid if the couple had been in receipt of old age pensions.

Honourable senators, my intention is to point out that while we are taking this important step forward in the field of social security legislation, there are Canadians equally deserving who have much smaller incomes and whose needs should be brought to the attention of the Senate, of Parliament, and of the country. I hope that Senator Croll will keep up his good work, and I hope all honourable senators will encourage the Minister of National Health and Welfare in his campaign to bring about higher incomes for needy Canadians.

Our children deserve an adequate diet. They should be well nourished, and I can tell you that on some of the social welfare payments Canadian children are undernourished; they are living in semi-starvation. If some on the old age pension have had to eat dog and cat food, I do not know what kind of food the children of families receiving social welfare have been eating.

• (1510)

I believe the Senate has played an important role in improving social security and welfare legislation in the past, and I am convinced that we will have a greater role to play in the future. If Canadians would read the *Debates of the Senate* for this session together with *Hansard* of the House of Commons they would have to acknowledge that the senators are those who have the interests of the poor in this country closest to heart.

Hon. Azellus Denis: Honourable senators—

The Hon. the Speaker *pro tem*: I must inform honourable senators that if the Honourable Senator Denis speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Denis: Honourable senators, as there seems to be general approval of this bill I do not think I should say anything else. If I do I might lose some ground.

Hon. Mr. Haig: You had better quit while you are ahead.

Hon. Mr. Denis: Yes, but in order to be polite I must extend my thanks to Senator Macdonald and others for the nice remarks they made about me. Of course, the exaggeration stems from friendship. They do not exaggerate, however, when they speak of the need to help the older people. My good friend Senator Asselin may be jealous to hear that I am one of the 1,800,000.

Hon. Mr. Langlois: He will be very soon.

[*Translation*]

Hon. Mr. Asselin: To clarify a situation concerning the honourable senator who introduced this bill I said a while ago that, of course, I did not think that Senator Denis had any financial interest in introducing the bill now before us. But I checked the Parliamentary Guide again and I find that Senator Denis is indeed a member of the "club" dealt with in this bill and that under the rule dealing with the interest—mainly Rule 84—of senators in legislation to be introduced in the Senate or before a committee—I would like to know if the senator feels that his conscience is entirely clear, if he has any guilt feelings, if he thinks that by introducing this bill he has any direct or indirect financial interest since he gets a pension.

Hon. Mr. Langlois: He is above worldly wealth!

Hon. Mr. Asselin: He might be but not at this moment because from what I know—I consulted my colleagues—I was told that he gets his old age pension.

When Senator Denis proposed the adoption of this bill did he not think that under Rule 84 there might be a conflict of interest between his position as a senator and the fact that he also gets a pension? Also, if Senator Denis obviously is not sure that his conscience is perfectly clear, he could perhaps on his own ask the Committee on Legal and Constitutional Affairs to clarify that situation which could reoccur often in the future.

Hon. Mr. Denis: Honourable senators, it is clear that Senator Asselin is not a member of the "club" judging from his childish arguments. But he must admit that he praised me when he said nice things about our older citizens, of which I am pleased to be. I am also pleased to announce to him that in the other place his good old friend John Diefenbaker will also benefit from it.

Hon. Mr. Asselin: No, he does not get it.

Hon. Mr. Denis: I also recall, as far as the financial interest goes, that when he was a member of the other place Senator Asselin voted himself salary increases, honourable senators.

In any event, I wish to go on and thank the honourable senators who have made very constructive remarks; no wild demands were made.

[*English*]

Here there was no such exaggeration as that in the other place, with some thinking of an increase of $7 or $10, and not $50, and a reduction of the eligibility age to 60 years. As Senator Argue just pointed out, it is not only the senior citizens who are in need. We must provide for over two million people in all categories who are in need. Some are now looked after jointly by the province and the federal authority, and a conference in this connection will take place in a few weeks.

Of course, all your suggestions are good ones, even that of $150 per month and a reduction of the eligibility age to 60, which would cost an additional $1 billion. We must therefore enter into consultation with the provinces, as we have promised, and undertake a general review of the social measures so that there will be justice for every Canadian.

There is nothing else I can add, but I should inform Senator Croll that the good work he and the members of his committee have done is being studied. Some recommendations have already been implemented, and certainly all those contained in the report of the Poverty Committee will be considered during the conference that will be attended by the Prime Minister and the premiers of all provinces. It is not necessary that every recommendation be implemented at the same time. I congratulate Senator Croll on his chairmanship of a very important and useful committee. I am sure that the committee's suggestions, and those offered by Senator Macdonald and Senator Argue, and even Senator Asselin, will be given careful consideration.

As the Minister of National Health and Welfare has said, he has an open mind and will study every suggestion made, both in the other place and here.

[*Translation*]

Hon. Mr. Langlois: Honourable senators, I did not want to intervene in the course of Senator Denis' comments and I think I should rise at this stage on a point of order—to be in order with subsequent remarks—relating to the matter that Senator Asselin raised with respect to Senator Denis' pecuniary interest.

I suggest that anyone who reads rule 49(1)(b) will find in the very wording of this rule a definition of pecuniary interest as defined by the rules of this house:

> a senator shall not be entitled to vote upon any question in which he has any pecuniary interest whatsoever—

Note carefully the following words.

> —not held in common with the rest of the Canadian subjects of the Crown, and the vote of any senator so interested shall be disallowed.

This remark applies not only to Senator Denis but to all our honourable colleagues of this house who have reached the age of eligibility for the old age security pension, which we are now considering.

I suggest, however, that so far as these honourable senators have a pecuniary interest in common with other Canadian subjects, they are free to vote as they want to on this bill.

• (1520)

[*English*]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Denis: Honourable senators—

Hon. Mr. Choquette: I want to assure my friend that there has been an authoritative debate on this question. Every point has been clarified to the extent that we on this side of the house see no necessity for sending the bill to committee.

Hon. Mr. Argue: Honourable senators, I feel that the bill should go to committee. The minister should be invited to attend and those who are interested in obtaining information along particular lines should have an opportunity of questioning him. I for one would request that the bill be referred to committee in the normal way.

On motion of Senator Denis, bill referred to the Standing Senate Committee on Health, Welfare and Science.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Wednesday, March 14, the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. J. Campbell Haig: Honourable senators, this debate on the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation is likely to take second place to the problems which arose from last night's sitting. I have had many disappointments in my life, but last night and today I achieved what I think is the pinnacle. I could not understand the by-play that occurred between Senators Asselin, Denis, Flynn, Bourget and Langlois. This afternoon, Senator Molgat got into the act and spoke in French. I could not understand what he said, and so I shall have to wait two days for the translation.

Hon. Mr. Prowse: That is not your fault.

Hon. Mr. Haig: I recognize that, and I regret it. I am old enough to know that I cannot understand French, and I am not going to take the time to understand it. I merely indicated that I regretted not being able to understand the quick by-play that went on between three or four honourable senators. That is all I regret.

Hon. Mr. Asselin: That should encourage you to learn French.

Hon. Mr. Haig: I shall wish that I had not brought up this subject if I am going to be constantly interrupted. I merely indicated my impression. I do not wish to listen to comments from the other side of the chamber or from this side on what I should or should not do.

I want to thank Senator Cameron for calling our attention to the matters embraced by his inquiry. Senator Fournier (Madawaska-Restigouche) discussed those problems peculiar to the Maritimes, and Senator Laing discussed the problems affecting the North, his remarks appearing on page 327 of *Hansard* of March 14. This is an indication, honourable senators, that transportation problems facing the rural and urban areas of our country are large and complex.

In essence, transportation is the act of moving people, goods and services from point A to point B. We are doing this by land, sea and air, and lately by pipeline. I suggest that each person, whether producer or consumer, wants this done at the lowest cost to himself.

The problems are exaggerated in Canada by reason of vast distances, from east to west, and from north to south. The different time zones and the type of terrain through which our transportation has to move must also be taken into consideration.

I suggest, honourable senators, that our transportation facilities are not keeping up with the times. There is a growing feeling in the field of transportation, whether by land—that is, by rail and truck—air or sea, that the government is interfering by means of regulations, tariffs, and so on.

Dealing first with highway transportation, our system has developed from two-lane gravel roads to, in more sophisticated places, four- and eight-lane highways, with a consequent increase in movement by car or truck.

With regard to transportation by water, we now have faster, larger ships and tankers. In the air we have graduated from single-engine propeller-driven aircraft to large jets, and distances travelled, capacities and speed have been increased as a result.

There is not much water transportation in my province, Manitoba. We have only a certain amount of interlake transportation of fish and pulp. There is a large volume of commodities transported by rail to the Port of Churchill in the North, but because of weather conditions the port is not used to its fullest capacity. However, the government, through the National Harbours Board, is making considerable improvement.

Most of us travel by air whenever we can. I should like here to make a radical suggestion, that the ownership of

air terminals—I do not include the land on which the runways are situated—should be in the hands of private enterprise. The terminals would then operate profitably, with the revenue coming directly from those people or companies using the facilities. The managements of the terminals, in co-operation with the airlines, car rental owners, and so on, would have an opportunity of directing the inflow and outflow of traffic in an effort to stop the congestion which exists at most airports at certain times of the day. Since everyone wants to leave at eight o'clock in the morning and to arrive at his destination at six o'clock in the evening, give or take an hour, the programming of flights by the airlines are so structured. The morning, afternoon or late night hours, unless one is going overseas, are useless.

• (1530)

In connection with air transportation, I want to deal with the landing privilege agreements between foreign governments and the Government of Canada. There is only one airline directly to the south from Winnipeg—which I consider the geographical centre of air travel in Canada—and that is the Northwest Orient Airlines. The employees of that airline periodically go on strike, and that affects Winnipeg. In those circumstances, if one wants to go south from Winnipeg, one has to take a bus to Grand Forks and hop on another plane there. If Winnipegers want to go to Chicago, New York or any of the Florida resorts, they have to go via Toronto or Montreal and transfer there. Honourable senators, it is of no great advantage for anyone to have to stop at either Toronto or Montreal.

Hon. Mr. Croll: Come, come, now.

Hon. Mr. Haig: Yes, Senator Croll; I think there would be about 100 to one against you.

Hon. Mr. Prowse: Hear, hear.

Hon. Mr. Croll: Well, there is one already.

Hon. Mr. Haig: The main airports are those at Toronto and Montreal, neither of which I like. Why cannot the government and the airlines extend these bilateral agreements to allow certain centres of our country, such as Winnipeg, to have more than one direct flight south? Toronto and Montreal have many flights south, as do Vancouver, Calgary and Edmonton.

Hon. Mr. Prowse: Edmonton does not have one either.

Hon. Mr. Haig: Well, it should.

I should like to turn now to the urban problems of transportation which arise from the increasing number of cars in use, coupled with urban sprawl. It seems rather silly to me that one car should carry only one person into the centre core of the city. The time is going to come when the large cities will have to prohibit the use of cars in their downtown areas. You may say that that will not come next week or next month, but I disagree. It may come sooner than we think. The congestion and the costs involved will force us to ensure that the suburban cars are left at the perimeters of cities, and the people are transported by some sort of rapid transit system to the downtown core.

I come now to the question of freight rates. I am no expert on freight rates, nor have I made a study of them, but since this matter was raised by Senator Cameron I should like to read into *Hansard* part of an article which appeared in the Winnipeg *Tribune* of March 31, 1973. It is as follows:

> Two top executives of the CPR and CNR were given a rough going-over by the three prairie premiers Friday, as they tried to sooth western discontent over freight rates.

The three premiers present at the meeting were Alberta's Peter Lougheed, Saskatchewan's Allan Blakeney, and Manitoba's Ed Schreyer. The article goes on:

> The three prairie leaders told the rail executives in no uncertain terms that the west would stand no longer for discriminatory freight rates.

That just happened last weekend.

The subject of pipelines is an important one at the moment. Senator Laing in his speech referred to the various methods of transporting oil and gas from the northern parts of Alberta, Saskatchewan and British Columbia. He discussed transportation by pipeline, rail, and tanker. The method of transporting compressed gas from those areas by airplane is impractical from an economic point of view. Again, the Winnipeg *Tribune* of March 31, 1973, reported Robert Bandeen, CN executive vice-president, as saying in an interview, "A railway up there (in the North) may not be feasible, but nobody has enough information yet to reject the idea." So, I suggest that the whole question of moving our resources from the northern regions to the south is not settled yet. I agree with Mr. Bandeen that further discussions should be had, and feasibility studies made.

In closing, honourable senators, I wish to thank Senator Cameron for bringing this matter to our attention. The whole field of transportation needs to be studied further by experts.

Hon. Henry D. Hicks: Honourable senators, several of those who preceded me in this debate have referred to the historical importance of transportation in the putting together of Canada as a nation—the important undertakings which were made at the time Nova Scotia and New Brunswick were induced to join with Ontario and Quebec in 1867. At a later time similar inducements were part of the understanding when Prince Edward Island came into Confederation. Again, some 80 years later in 1949, when Newfoundland came into Confederation, transportation considerations were also an important factor in the decision of that province to throw in its lot with Canada. The situation in the western provinces was exactly the same. Senator Manning, in his remarks, has already referred to the arrangement relating to the building of the Canadian Pacific Railway, which was part of the Confederation bargain at the time British Columbia became part of Canada.

There is a danger when we refer to the historical significance of a problem, such as the problem of transportation, to regard it as only of historical interest. This is one area where we cannot do that. The evidence all around us—as recently as a week ago, a fortnight ago, a month ago, or two or three years ago—shows that Canadians all across this country are still concerned with the problem of keeping this country together. This involves improve-

ments in communication and transportation, of both people and goods—manufactured articles, raw materials and all sorts of items which it is necessary for Canadians to exchange with one another.

I suppose my first official awakening, if you like, to the importance of freight rates—perhaps not the first one, but the one that I recall most vividly—came when a newly appointed vice-president of Canadian National Railways, a vice-president for research, called on me in the mid-1950s during the period I was Premier of the province of Nova Scotia. He was very enthusiastic at that time, or so it seemed to me, about looking into the whole question of the freight rates structure in Canada, which, of course, has always been a problem to the citizens of the Maritime provinces. I distinctly remember the illustration we discussed at that time because at the same time the nail mill at DOSCO—as it was then called, the Dominion Steel and Coal Company—in Sydney, was about to be closed down. The alleged reason for the closing down was that the freight rates for the shipment of nails to the Montreal market precluded the continuance of the operation in Sydney. Instead, they were going to ship hot ingots of iron to the Montreal area and manufacture them into nails.

• (1540)

I have tried ever since to understand why it was more economical to transport the ingots of iron than carloads of nails, because my researches show that you can load cars to capacity with each commodity. It seems to me the only cost differential would be in the cost differences in loading and unloading kegs of nails compared with ingots of iron. However, it was explained to me by this vice-president and others that there was a philosophy behind freight rates that precluded considerations like that from affecting the rate changes at the present time. This was deemed to be a sufficient answer. In due course, the nail mill in Sydney was closed down, and no nails are now manufactured in the province of Nova Scotia.

I use that as an illustration, because it seems to me that the premises upon which freight rates were designed in the years following Confederation, or, if you like, in the last third of the 19th century, are considerations that have gone on, with slight amendments—a subsidy here, and a little patching up there—without anyone taking a comprehensive look at the whole philosophy underlying freight rates, and perhaps deciding that there are other considerations than those behind the original structures—those that prevailed when our railways first became important to us during the 19th century.

Interestingly enough, within a few weeks of my appointment to this chamber I received a letter from the chairman of the transportation committee of the Maritime Lumber Bureau. I think it was one of the first questions referred to me as a senator. After describing the importance of freight rates to the lumber industry of the Maritime provinces, and the Maritime Lumber Bureau, which also serves the Province of Newfoundland—though why our Newfoundland friends have not induced the bureau to change its name yet to the Atlantic Lumber Bureau I do not know—and after describing the situation that had obtained after Confederation up until the years following World War I, he referred to the deterioration in lumber shipments from the Maritime provinces during the twenties, and to the beneficial effect of the Maritime Freight Rates Act of 1927 which largely, he said, restored our position. He said in his letter:

> This continued until the last war 1939-45. Shortly thereafter, Freight Rates on lumber began to increase and have continued to this date. For instance, lumber was shipped from Oxford Jct., N.S., to Montreal in 1946 at 27¢ per 100 pounds. The rate now is 72¢.
>
> The present prices of lumber may allow this rate, but the least deterioration in price would put us out of this market.

One might also say the next increase in freight rates may put Maritime shippers out of that market.

I do not feel myself competent, nor do I want to take up the time of this chamber in trying to do so, to analyze the validity of those observations, but I put them on record here to show that those are observations considered by many people, businessmen and others, in the Atlantic provinces to be very important.

As recently as the last week of March—I think on March 23, to be precise—an Atlantic provinces industrial delegation called upon the Honourable Jean Marchand, and made to him a series of recommendations having to do with the problem, as they saw it, of transportation from the Atlantic provinces. I think they are important enough to put on record here. They addressed their first series of recommendations to the federal government. They assert that a federal transportation policy for the Atlantic provinces must ensure:

> 1. That the out-bound transportation costs for Atlantic Provinces products being shipped to markets in Canada are not greater on average than the transportation costs for competing producers located closer to those markets.
>
> 2. That the in-bound transportation costs for raw or semi-finished manufacturing or processing materials, not available within the Atlantic Provinces, are not greater on the average than the same costs for competing producers located closer to the major market areas of Canada.
>
> 3. That the completion of trunk highways to all-weather standards be accelerated to enable the region to benefit from competition between transport modes.
>
> 4. That port facilities are maintained and developed as determined by changes in technology and by potential traffic requirements.
>
> 5. That every effort be made to have the steamship conferences reflect the geographical advantages of the Maritime ports in their ocean rates to and from such ports.

Note the inconsistency between the theory underlying item 5 and the theory underlying items 1 and 2:

> 6. That an adequate air network be provided to service the Atlantic Provinces.
>
> 7. That adequate interprovincial ferry services are provided for traffic potentials within the Atlantic Provinces.
>
> 8. That there be established a transportation tribunal with authority over rates, service, demurrage, and other aspects of commercial transportation to which

shippers can appeal cases of unfair treatment or inadequate service.

They drew attention to the very real hardships suffered by Newfoundland receivers of shipments because of the sometimes tremendous hold-ups in cars at the ferry in North Sydney. The Newfoundland receiver has been required to pay demurrage on cars that might be as many as 250 cars behind scheduled ferry runs, because of the capacity of the ferry. They then made a series of recommendations which they said were provincial responsibilities:

A Provincial transportation policy in the Atlantic Provinces must ensure that:

1. There is uniformity insofar as possible in motor vehicle and motor carrier legislation, regulations, taxation policies and practices, and highway construction specifications within the Atlantic Provinces.

2. There is a Regional Transportation Commission with the authority and resources to enable it to:

(a) Speak for the Atlantic Provinces on all matters relative to transportation

(b) Make recommendations to governments on transportation policy

(c) Conduct necessary research, and

(d) Assist carriers and shippers with transportation and distribution management functions.

Finally, they acknowledged that the private sector had some responsibility as well, which they referred to as follows:

A private sector policy in the Atlantic Provinces must ensure:

1. That shippers make the best use of transportation services available.

2. That shippers adopt efficient transportation and distribution practices.

I have taken rather a long time to read all that into the record because I think it shows that even those who are most vitally concerned in the Atlantic provinces are still unable to determine how they should do anything, except patch up and repair present policies and present procedures. It seems to me, particularly from the inconsistencies I pointed out between some of those recommendations, that they are adopting the philosophy in respect to problems which suits them, quite unaware of the fact that the same philosophy would hurt them in another situation, and they then quite easily change their new philosophical approach to suit these selfish interests of the Maritimes, if you like, in solving the second problem that comes along. I believe that this is not good enough, that we will never provide this country with modern transportation and communication facilities by a patch-up of existing arrangements. More consistent policies must be evolved, after more careful study of problems which we have all recognized to be tremendously complicated.

I do want to refer, however, to one other document, and that is a statement of principles of an Atlantic provinces transportation policy. I take this from a publication entitled: "The Basic Elements of an Atlantic Provinces Transportation Policy." It is a document prepared in response to a request from the then Minister of Transport of Canada by the Atlantic Provinces Cabinet Committee on Transportation, and dated March 1969. In my view, this document—or the portion of it I am going to read—does set forth some basic principles that might serve as a starting point not only for looking at the transportation problems of the Atlantic Provinces but the transportation problems of any region in Canada. The document says:

• (1550)

The policies recommended in this report have been developed within the framework of the following principles:

(1) The National Policy of protective tariffs introduced by the Federal Government after Confederation, and promoted by all succeeding Federal Governments, resulted in a severe limitation on the ability of the Atlantic Provinces to exploit the vast potential markets of the United States. The natural north-south trade routes that had been developed by the region were replaced by an artificial east-west trade pattern.

(2) Transportation is, as it has been since Confederation, a vital element in the ability of regional industries to reach Canadian and world markets.

(3) The responsibility of the Federal Government to ensure that transportation costs will permit regional industries an opportunity to participate fully in the economic growth of Canada is enshrined in the discussions that preceded Confederation and in the discussions that preceded the entry of Prince Edward Island and Newfoundland and Labrador into Confederation. This principle is legally recognized in the Maritime Freight Rates Act and must continue to be so recognized.

I should add that more recently the Atlantic Region Freight Assistance Act has extended analogous provisions of the Maritime Freight Rates Act to the trucking industry in the area as well. The document continues:

(4) The ideal initial approach to ensuring realistic transportation costs is by providing the maximum possible competition between the various modes of transportation or by combination of various modes. However, the lack of facilities and the low volume of traffic, combined with the large distances involved, will not permit such competition at the present time in the Atlantic Provinces.

Here let me also add that I have seen the other argument used, that because of the low volume it would not be economical for there to be competition, and hence one transportation agency maintains the monopoly and, therefore, sets its rates on the assumption that there is no competitive rate, and makes you pay more for your shipment. That is rather the opposite of the argument that is used here.

(5) The implementation of a rational transportation policy for the Atlantic Provinces will require an effective combination of competition, regulation and financial assistance.

(6) In the long run if transportation policy is effective, regulation and financial assistance should tend to diminish.

(7) Transportation is an essential, but not sufficient, element in economic development. It is a means to an

end. While an efficient transportation system will not guarantee economic expansion, the lack of such a system will retard the possibility of such development.

(8) In the development of a regional transportation policy, special consideration in the form of financial assistance and regulation must be given to areas where effective competition is non-existent or where competing modes are controlled by the same company.

If I might interject, that takes care of the observation I made after I read statement (4).

This problem is particularly applicable to the Province of Prince Edward Island and the Province of Newfoundland and Labrador.

One other thing that has loomed much larger in the eyes of Maritimers, or the people of the Atlantic provinces, in recent years is the problem of coastal shipping and the rights of ships of Canadian registry, as opposed to ships of Commonwealth or British registry or even of foreign registry, to ply in our coastal trade.

This whole problem has assumed a new dimension of importance as a result of the oil drilling on the continental shelf, and it now involves the formulation of policy relating to oil drilling rigs as well as to the tugs and ships that service them. It was the subject of a Coasting Trade Inquiry in 1971 by Howard Darling. The report is generally referred to in our part of the world as the Darling report. At that time Mr. Darling was, I think, chairman of the Water Committee of the Canadian Transport Commission. Here again, the interests of the coastal shippers in my part of the country may be in conflict with what the Darling report records as the national interest, because we feel that the maintenance of some proportion—and it is a pretty small proportion—of shipping in bottoms other than those of Canadian registry does guarantee a certain measure of competition, and a certain competitiveness in shipping rates, which we are loath to see abandoned even in the interests of all Canadian carriers.

In any event, this is also another important area that needs to be examined carefully, and about which the people of Canada need to formulate policies of their own.

Honourable senators, I have referred—and this is all that I am competent to do—to some of the problems which are complex, which are nearly always interrelated, but which nevertheless must be solved if we are to build this nation greater and stronger than it is at present, or has been in the past. I think that solutions to these problems require new approaches and new ideas, and require us to take full advantage of new technology and not merely to build on to or patch up existing arrangements, or existing modes of transportation.

In this respect, I was interested—again, as attesting the urgency of these matters in the minds of the people in my part of the country—in the remarks of the president of the Maritime Telegraph and Telephone Company Limited, in his annual report to the shareholders made in Halifax on March 30 of this year. I will quote the portion of it wherein he refers to transportation problems:

It is impossible at this stage to determine the effect of success in the offshore search for oil but the outlook continues optimistic and the exploration program itself has had a beneficial effect such as the construction of oil drilling rigs by the Halifax shipyards and the demand for housing and office space.

The deep water ports at Halifax and Canso Strait are coming into their own as shipping technology changes to containers and large bulk carriers. The former, i.e., Halifax container traffic, could be, according to some, seriously affected by freight rates. Recent press reports indicate that freight charges to transport containers to Montreal and Toronto from Halifax have increased by 25.3 per cent and 20 per cent respectively since 1969. The magnitude of the increases, it is stated, is such that traffic could be diverted elsewhere.

Somewhere in the pattern of rating for rail freight traffic, it seems to me, the philosophy of a pricing policy that will stimulate volume rather than erode it needs to be positively and thoughtfully examined. This philosophy has been recognized and approved by bodies regulating telephone telecommunications for many years. If it were not done this way and services were priced in all areas to cover costs and more, then the price in smaller areas would be such that there would be very little development because few could afford the service. The result would be a much less useful system for the users in the entire area served.

Is there not an analogy here worthy of close examination?

There may very well be, and I for one would like to see it explored.

Honourable senators, it seems to me that we must look to new technology of the kind that Senator Cameron referred to in the speech he made in introducing this inquiry, that we must make sure that we take advantage of new technologies that are available to us on land and sea, and in the air. His remarks were chiefly concerned with transportation of people rather than of goods and freight. I was particularly interested in the tables that he read into the record showing comparisons of the proportion of travel by automobile, by air, and by rail, and the trends that have occurred during the past several years, particularly the trends that were forecast on to the end of the century. Like Senator Cameron, I doubt if those forecasts are going to prove correct, because it seems to me that some things are bound to happen in the kind of society in which we are living which are going to change those figures.

• (1600)

For example, if with today's technology we were planning a new transportation system for people in the area of the United States included in the triangle formed by Boston, New York and Washington, we would probably not use any aircraft in that area at all but would design fast modern trains of the type our Japanese friends are reportedly using now. Apparently they are ahead of us in that area. We would keep the air clear there for flights going greater distances. But for the United States to effect such a change now would be extremely difficult, owing to the fact that the longer we delay in taking advantage of technology in planning for the future the more expensive it becomes for us to implement our plans.

However difficult it might be for us to think that a similar situation could develop in the Ontario peninsula in respect of communications with this capital city and Montreal, nevertheless, we should be planning to take advantage of modern technology in solving our transportation problems in that area before it becomes so congested that we have to disrupt people, industries and activities, and perhaps do great damage to the countryside and cause deterioration in the ecology and life-styles of the people and animals in the area concerned.

It is for these reasons that I welcome the suggestions that underlie this inquiry initiated by Senator Cameron.

I should just like to introduce one other subject here. I am also concerned very much with national unity in Canada, which was one of the reasons I felt it necessary to bring to the attention of the Senate the question of federal-provincial involvement with post-secondary education and Canada's universities. Because national unity was involved here, I felt that if the Government of Canada did not concern itself with Canada's universities, then those universities would not play the part they ought to play in ensuring the unity of our country, and the strength not only of the economy but of the understanding of peoples all across Canada. Therefore, I feel that transportation and communications, the use of new technology, as well as the solution of the better understood problems of freight rates and so on, are also vital to the survival of Canada and to the preservation of the unity of our country, and certainly to the strength of our economy.

In order to solve the problems we have been discussing here, it seems to me that there will be required the co-operation of private individuals and businesses, as well as the co-operation of the provincial governments, the railways, the trucking industry, the shipping companies and the airlines. But, for the reasons I have stated, only the federal government or some agency thereof, or this Parliament, can give the necessary leadership and arrange for the necessary organization to conduct studies to find solutions to these many and difficult problems.

Honourable senators, I trust that we will not fail Canada and its people by not giving this leadership, and I would hope that this chamber, or some committee thereof, will find a way to play a full and effective part.

On motion of Senator Prowse, debate adjourned.

THE SENATE

NEED FOR REFORM—ORDER STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.—(Honourable Senator Molgat).

Hon. Mr. Croll: Honourable senators, this item has been on the Order Paper for two months. I spoke to it three weeks ago. Surely this chamber has not been taken by surprise with respect to the subject matter. I think I am entitled to know when permission will be given to speak to this matter.

Hon. Mr. Flynn: When permission will be given by whom?

Hon. Mr. Croll: The matter is not being attended to. For some reason, no one is speaking to it. I suspect very seriously that it is being arranged in that way.

Hon. Mr. Langlois: Not at all. There is no arrangement whatsoever.

Hon. Mr. Flynn: I am curious to find out whether the Leader of the Government, or anybody speaking on his behalf, has anything to say about that.

Hon. Mr. Langlois: Honourable senators, I think Senator Croll should bear in mind that we have had quite a heavy schedule of work for the last two weeks. Does he expect the Senate to sit undue hours every day in order to deal with this subject, which is really not very pressing?

Perhaps the reason honourable senators are not speaking to the subject yet is that they wish to give it considerable thought before doing so, because, after all, it is an important subject which cannot be dealt with in an off-the-cuff way. In any event, there is no arrangement whatsoever to postpone this subject, or to prevent anyone from speaking on it. Any senator interested in speaking to the matter is free to do so at any time. It is for that reason that this item has been kept on the Orders of the Day. The opportunity is there for senators who are concerned and interested to speak to the matter, if they wish.

Order stands.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, April 5, 1973

The Senate met at 2 p.m., Honourable John M. Macdonald, Speaker *pro tem*, in the Chair.

Prayers.

OFFICIAL REPORT OF DEBATES

CORRECTION IN TRANSLATION

Hon. Azellus Denis: Honourable senators, I should like to make a very important correction in the English translation of the speech I made on the bill to amend the Old Age Security Act as reported in the Senate *Debates* of April 3 last at page 441. I am reported as having said:

> The Liberal party has done more in this area—I am going to please my friends opposite—probably because they remained in office longer than others . . .

That should read:

> . . . it remained in office longer than others . . .

Because I was not referring to my friends opposite, which would be contrary to the facts.

Hon. Mr. Flynn: I am in agreement; it is a very important correction.

Hon. Mr. Denis: It was a gross mistake.

Hon. Mr. Flynn: In fact!

OLD AGE SECURITY ACT

BILL TO AMEND REPORT OF COMMITTEE

Hon. Chesley W. Carter, Deputy Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-147, to amend the Old Age Security Act, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker *pro tem:* Honourable senators, when shall this bill be read the third time?

Hon. Azellus Denis: 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.

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, April 10, 1973, at 8 o'clock in the evening.

Honourable senators, at this time I should like to give a brief outline of our schedule of work for the two remaining weeks, one complete week and one short week, before we adjourn for the Easter recess.

1. We expect to receive a tax bill from the other place about the middle of next week.

2. We will proceed with the second reading of Bill S-4, to amend the National Parks Act.

3. It is expected that a bill will be introduced in the Senate on the protection of privacy. This legislation will be based on a bill which was introduced in the other place last summer but died on the Order Paper when Parliament was prorogued.

• (1410)

Hon. Mr. Flynn: With many other members of the other place.

Hon. Mr. Langlois: Yes, but they did not die on the Order Paper.

4. We also anticipate that some speakers will be prepared to continue the important debate on Senate reform next week, starting Tuesday evening.

Hon. Mr. Choquette: How many are expected to be ready?

Hon. Mr. Langlois: At least three are prepared now, and perhaps four.

Hon. Mr. Smith: With more to follow.

Hon. Mr. Langlois: Many others will follow.

5. A report on the Canada-U.S. Conference now taking place in Washington is expected. We hope that the participants at this important conference will take part in the debate. This has importance to Canada in view of our trade and economic relations with our giant neighbour to the south.

6. A report is expected to be presented on the recent Foreign Affairs meeting in Brussels.

7. It is expected that at least one and probably two speakers will resume the debate on the recent Canadian parliamentary mission to Vietnam.

8. In addition to sittings of this house, our committees will also be at work. The Standing Senate Committee on Legal and Constitutional Affairs, under the able chairmanship of Senator Goldenberg, will resume its important hearings on the parole system in Canada. That committee has three sittings scheduled for next week and probably one or two for the following week.

9. Lastly, we anticipate that the Standing Senate Committee on Foreign Affairs will have one and probably two sittings next week.

With this schedule of work already known to us, we can anticipate a busy enough week. By returning on Tuesday evening we will be able to attempt to dispose of the

business of the house before it recesses for Easter in the middle of the following week.

Hon. Mr. Choquette: Do you not think we will be overworked?

Hon. Mr. Flynn: Honourable senators, I think the remark of Senator Choquette is quite appropriate, for if we go through all this we will be dead tired.

Hon. Mr. Langlois: But, we will recess afterwards.

Hon. Mr. Flynn: Will the acting leader—I am used to saying the acting leader because of the recent absence of the leader, but Senator Martin is with us today and I would like to acknowledge his presence. I also acknowledge his desire to be with us in permanence as soon as possible. He never follows my advice, and he is probably right in not doing so. I have told him repeatedly here and elsewhere that he should go away and take a good vacation. This is the most appropriate time. The weather down south is fine. I was about to ask if the Honourable Senator Langlois is aware of the date of the adjournment of Parliament as a whole? Will it be on April 18, or 19? That information might be useful to honourable members.

Hon. Mr. Langlois: I am informed that the adjournment of the other place will be from Wednesday, April 18, to Tuesday, May 7.

Motion agreed to.

WAR VETERANS ALLOWANCE ACT

BILL TO AMEND—THIRD READING

Hon. Chesley W. Carter moved the third reading of Bill C-148, to amend the War Veterans Allowance Act.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker *pro tem* informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

April 5th, 1973

Madam,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 5th day of April, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

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

The Honourable
The Speaker of the Senate,
Ottawa.

MINUTES OF PROCEEDINGS

CORRECTION IN FRENCH TEXT

Hon. Leopold Langlois: On a question of privilege, I wish to draw the attention of the house to an error in the French text of the *Minutes of the Proceedings of the Senate* for Wednesday, April 4, 1973. The English text reads on page ii:

Thursday, 5th April, 1973

No. 1.

4th April—Third reading of the Bill C-148, intituled: "An Act to amend the War Veterans Allowance Act".—(*Honourable Senator Carter*).

The French text on page ii reads:

Le jeudi 5 avril 1973

N° 1.

4 avril—Troisième lecture du Bill C-148, intitulé: «Loi modifiant la Loi sur la sécurité de la vieillesse».

[*Translation*]

Hon. Mr. Flynn: Put that down to French impetuosity.

[*English*]

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Cameron calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. J. Harper Prowse: Honourable senators, I should like, first, to thank Senator Cameron for introducing a debate on a subject which is of such importance to those of us who live in Western Canada, and indeed to those who live in the Maritime provinces.

As Senator Manning pointed out the other day—I was a little disappointed because he could have gone much further than he did, but that is a matter of his own judgment—the fact remains that year after year each time the railways get into trouble they adopt one simple, single answer to the problem, which is to come screaming to the Canadian Transport Commission for an increase in rates. And year after year it is those of us in the West or in the Maritimes who have to fight the increase. Never once in the history of this country has either Ontario or Quebec appeared as an intervenor to ask for a stop on rates. The reason, of course, is perfectly simple. Those who live in Western Canada and in the Maritimes—and I am including the Maritimes because they will go along with this—must pay freight on everything we buy that comes in and also on everything we sell that goes out. If you think this is a little, unimportant thing, let me refer you to page 889 of the 1972 *Canada Year Book* under the heading, "Operating Revenues." The total income of the railways in

Canada for the year 1970 was $1,880,828,395. If you take that figure and divide it by a population of 22½ million, it works out to about $85 per capita. If my arithmetic is incorrect, somebody can correct me. If you want to take the opportunity over the next hour and a half to quietly work it out, you will have an opportunity to do so.

• (1420)

Did you want to do the arthmetic, Senator Argue?

Hon. Mr. Argue: No, I was just looking for the reference.

Hon. Mr. Prowse: It costs about $85 per capita to move freight back and forth between East and West by rail.

Just after the war I made my living writing a newspaper column. It was called, "The Road Ahead, Hopefully." The idea of the column was to get the veteran introduced to the society in which he was going to live and to enable the society to understand the problems the veteran would have in moving into that society. Believe me, writing a daily column is not as easy as it sounds. You have to come up with a new idea every day, and the idea must tie in with the various papers for which you are writing and, hopefully, deal with new subjects. You have to take a stand for or against. You cannot simply repeat what has been said on a subject, because that is not what sells newspapers.

In any event, I became aware that when the CPR brought immigrants into Western Canada they settled them here and there whereas the CNR settled them in blocks. Because they were settled together they tended to retain their own language and they had no reason whatever to mix or integrate with people in surrounding communities. When I became aware of this, I suggested in my column that perhaps the CPR had a better way of settling immigrants than did the CNR. After my column appeared, a man phoned and asked to see me. I agreed. The next day two big fellows walked into my office and announced that they represented the Canadian National Colonization Office in Edmonton. This would have been around 1945, '46, '47. Being a newspaperman I believed the way to treat somebody was to challenge him, to put him on the defensive so that he would start to back up. I said, "What are you doing in the colonization business? I thought you were supposed to be running a railroad." He replied, "Oh yes, but the reason we are interested in this is that everybody we can put on a farm in Western Canada is worth $1,500 a year to us in freight." I am giving the 1970 figures. Back in 1945, 1946 and 1947 the figures were a lot different.

Let us examine the figure of $1,500 a year from a farm in Western Canada. The farms in Western Canada had the same kind of per capita setup as everybody else, representing roughly five persons—mother, father, and 2.78 children. Western Canadian farms contributed $300 per capita to operate the transportation system of this country, as against a per capita average on today's figures of $85. I am not being unfair with my figures.

In order to keep the nation we have, a national transportation policy was laid down by Sir John A. Macdonald. It was given perhaps greater publicity by Pierre Berton in *The Great Railway*. That was part of a policy of making this country a nation. But who pays for it? Let us go back a little bit before we get to the transportation problems; let us go back to the Louis Riel story.

It is said in Western Canada that things are all wrong because our transportation lines run east and west instead of north and south. There are several honourable senators from the Prairies. Let me ask you this. What do you produce in Manitoba that you sell in South Dakota? What do we in Saskatchewan or Alberta produce that we would sell in Montana or Colorado?

Hon. Mr. McIlraith: Oil and gas.

Hon. Mr. Prowse: Do we trade with Toronto? Do we trade with Montreal? Do we trade across the country, or do we sell into New York? I have an idea that the reason most of us are proud to be Canadians is that even you hard-boiled people from Ontario are somewhat kinder traders than New Yorkers or the Sam Slicks from New England would be.

We must have a transportation policy. We must run the lines of communication across the country. We must move the things we produce in one part of the country in surplus to areas where they can be sold. Maybe it is across the border, maybe it is somewhere else, but we have a common interest in this country, and let none of us forget it.

So help me God, as long as I live I can never look with approval at somebody from Quebec or Ontario and remember all the times we were hungry in Western Canada, when we needed help and had to pay lawyers a lot of money to come down and fight our case before the Transport Commission. People in Ontario and Quebec just sat quietly by because they didn't care. No matter what the rates were, if we were buying through them we were paying it, if we were selling to them they would subtract it from the price. Now you had better start thinking.

• (1430)

I hope the honourable senator who introduced this motion will follow up and ask the Senate to take a look at the overall transport policy. You know, I am not going to read out all this to you. This is a little smart-aleck stuff that I learned a long time ago. But try to remember. We are going to spend $300 million this year to get some land in Ste. Scholastique and do something with it. We are going to spend an equal amount to get some land at Pickering just outside Toronto. But in paying the airport bills across Canada, which carry 10 per cent of the top-paid units in the country, we will spend something between $1 billion and $2 billion, an amount equal to one-eighth of the national budget. For what? Well, a little bit for the railroads—but don't feel sorry for the railroads, because I am going to get to them in a minute. But for airports, air terminal services, equipment to keep the airplanes flying, equipment operated by well-paid people, we are going to spend $3 billion. Did you know that?

Hon. Mr. Choquette: No.

Hon. Mr. Prowse: Well, you know it now. If it came out in the Ottawa newspapers tonight that $300,000 was going to be spent next year to subsidize public transport in small cities in order to get the ordinary workers to and from work, to get their children to and from school, we would think it was terrible. And yet we are going to spend

$3 billion this year to subsidize executives who are in the $20,000 a year and above class.

Hon. Mr. Flynn: Did you get that figure from Information Canada?

Hon. Mr. Prowse: No, I got it from a source better than Information Canada. I got it out of this book. Which way do you want it? Do you want it out of here? I got it out of the estimates.

Hon. Mr. Flynn: That is one-sixth of the total budget of Canada.

Hon. Mr. Prowse: What do you want?

Hon. Mr. Flynn: It is one-sixth of the total budget of Canada.

Hon. Mr. Prowse: It is going into airports.

Hon. Mr. Flynn: This year?

Hon. Mr. Prowse: Do you want to know what we are doing for pilotage?

Hon. Mr. Flynn: No, no, let us take one subject at a time.

Hon. Mr. Prowse: Be careful.

Hon. Mr. Flynn: I am not worried.

Hon. Mr. Prowse: I will get to it. I will find it. I have been through this. The figures are all there.

Hon. Mr. Flynn: Well, $3 billion is not peanuts, even to C. D. Howe.

Hon. Mr. Prowse: Even to C. D. Howe? I did not know you were that old.

Hon. Mr. Flynn: I have a better memory than you have.

Hon. Mr. Prowse: Your memory is about as good as mine, and your birthday is about as good as mine, too.

Hon. Mr. Flynn: Don't continue in that vein!

Hon. Mr. Prowse: I will tell you the operating expenditures for the air transportation program in 1973-74, because that is what we are talking about. We are not talking about 1972-73. It is approximately $135.5 million for air transportation capital expenditures, $56 million for statutory and other, while the total non-budgetary is $365 million. And that is one section alone. Just flipping through the pages I notice such figures as $211 million, $157 million, $207 million and $20 million, all having to do with air transportation. I have a note to myself here indicating that they do not even total it up. They do not have the courage to add it all up.

Now, that is airplanes. But let us look at another question. In terms of highways, how much more would it cost to construct a highway capable of carrying vehicles weighing 50 to 60 tons than it would to construct a highway designed to carry cars, which weigh perhaps two-and-a-quarter to two-and-a-half tons. I do not know the answer to that, but I do know that the cost factors involved would not be a simple multiplication of two, three, four or even five times, but would at that stage involve an algebraic or geometric progression.

How much freight is hauled by trucks? Without quoting figures, I can tell you that about one-fifth of the freight that moves across the country today is hauled by trucks which were brought into the business of hauling freight because the railroads either did not learn how to compete or did not keep up with the times.

Honourable senators, it is incumbent upon us to find the answer to the question which Senator Cameron has laid before us. The railroads are not going to find the answer to that question; the steamship companies are not going to find the answer nor are the truckers going to find it. But we in the Senate might just be able to find the answer.

An important point to remember is that the transportation of freight today is, overall, an extremely important business with an interesting history behind it. When I first started to work on the subject I tried to get some information about an aspect of freight with which I grew up, known as the Spokane rate principle. I found that no one seemed to know anything about it. Has anyone in this house ever heard of the Spokane rate principle? They had not even heard about it in the library. However, I checked up on it and finally through the good offices of the American Embassy I learned that in 1884 a piece of legislation was passed in the United States to the effect that if an item is transported from point A to point C, with a set rate covering that distance, then the rate for transporting that item to any intermediate point cannot be greater than the rate for transporting it from point A to point C which are the two ends. In other words, if an item were being shipped from Chicago to Portland, Oregon, the rate to Spokane could not be less. Yet we have heard from Senator Argue and others, and particularly from Senator Manning who explained the situation so well the other day, that you can ship goods from Montreal or Toronto to Vancouver and back to Edmonton or Calgary for less than you can ship it directly to Edmonton. This tells me that there is something basically wrong with our transportation system and it has to be corrected.

• (1440)

What do we have in our transportation system today? We have boats operating off the coast and we have pilotage—and that is a subject I shall leave to somebody else to discuss because it is not my particular bill of goods—and we have railways that run across the country and about which I shall talk to you in a moment. In addition we have trucks and buses. Our railways are doing their damndest to get out of the transportation of people. They are making it as uncomfortable, as unreasonable and as expensive as possible for people wishing to use their passenger services. In addition, we are spending $50 million to fly airplanes from Rockcliffe to Montreal. What kind of nonsense are we getting ourselves involved in? If they want to provide jobs for people, then by all means provide jobs for them. But let me tell you this, honourable senators, that before we gave up the subsidies and subventions—and His Honour the Acting Speaker is even more aware of this than I am—to try to encourage people to ship coal from the Maritimes to the Ontario market and to bring it from the West, they found it was costing $5,400 a year in subventions at that time for every job they provided. Perhaps we are providing jobs for people in the airplane business, but where is it leading us? If the tests work out and if I have read the paper correctly, it now takes two hours to go from downtown Ottawa to downtown Montreal in the ordinary way. If the STOL project

works out, you will be able to do it in 55 minutes in an 11-seater plane rather than in a 50-seater plane—that is if you want to travel in a thing that bounces around at 7,000 feet.

Let us take a quick look at what it costs us to move freight. I have not gone into it in detail, but I know we are spending $2 million to move oil from Western Canada and we are talking of spending $5 million for just one pipeline, or $8 million for two, to bring oil and gas from the Arctic somewhere down here, and I do not know what we are going to do with it.

Honourable senators, this is the last year that we pay these subventions to the railroads, but wait until next year and see what happens when they come back. Do you know what we have already paid to the railroads? We paid to the CPR $25 million in cash and we gave them 25 million acres of land. Altogether we have given to the railroads 30.5 million acres of Canadian land, and this was one of the reasons they had for bringing people in—so that they might put them on the land. Do you know what we gave the Indians for the country? We gave them 6,353,-000 acres. What have they left? They have what they own in reservations today. And, as I have said, we gave the CPR $25 million.

What is the picture now? We have Cominco and we have Marathon Realties and all the other companies that make money by taking oil and gas out of the ground and selling it in the available markets. Who gets the benefit of this? It certainly does not lower the cost of freight as was originally intended to be the case. The point I want to make is that the whole business of transportation in Canada, whether by bus, private car or truck, or whether it is by privately or publicly owned airlines, or whether it is by railroad or by canal, is a matter of common concern and common interest and is important to each one of us in this country of such tremendous expanses.

I want to congratulate Senator Cameron for having introduced this topic. I hope he will follow it up now with a suggestion that the whole question be sent to the appropriate committee for study, because this will give the Senate a chance to do the kind of job that should be done and which will be of benefit to all Canadians.

On motion of Senator Forsey, debate adjourned.

• (1450)

THE SENATE

NEED FOR REFORM—ORDER STANDS

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.—(Honourable Senator Molgat).

Hon. Leopold Langlois: Honourable senators, before I suggest that this item stand, I beg leave of the house to make a short statement to complete the remarks I made yesterday when Senator Croll suggested that, perhaps, arrangements had been made to delay, to postpone, or to stop this debate. Since speaking in the house yesterday in reply to Senator Croll's remarks I have learned that arrangements had been made by Senator Molgat the week before, with Senator Croll's knowledge, to have at least three speakers attack this debate. The first speaker was going to be Senator Manning, and the only reason it was delayed to this date was that Senator Manning has been ill and unable to attend sittings of this house.

It is hoped that next week, as I announced earlier, Senator Manning along with others will participate in this debate. It is possible that we will have three or four speakers on the subject.

Hon. Mr. Choquette: On that point, Senator Langlois, when I entered the chamber after prayers, and when I saw Senator J. M. Macdonald in the Chair, I thought the reforms advocated by Senator Croll had already begun.

Order stands.

The Senate adjourned during pleasure.

At 5.45 the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Old Age Security Act.

An Act to amend the War Veterans Allowance Act.

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 10 at 8 p.m.

THE SENATE

Tuesday, April 10, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the National Energy Board for the year ended December 31, 1972, pursuant to section 91 of the National Energy Board Act, chapter N-6, R.S.C., 1970.

Copies of financial statement on the operation and maintenance of the Great Slave Lake Railway for the year ended December 31, 1972, together with a statement showing the net capital investment as at December 31, 1972, pursuant to section 9, chapter 56, Statutes of Canada, 1960-61.

Copies of Ordinances passed by the Council of the Yukon Territory at its 1973 First Session, pursuant to section 20(1) of the Yukon Act, chapter Y-2, R.S.C., 1970, together with copy of Order in Council P.C. 1973-859, dated April 3, 1973, approving same. (English text).

Capital Budget of the National Capital Commission for the fiscal year ended March 31, 1973, 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. 1973-870, dated April 5, 1973.

Report relating to the administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1973, pursuant to section 41(2) of the said act, chapter F-5, R.S.C., 1970.

Report of operations under the International River Improvement Act for the year ended December 31, 1972, pursuant to section 10 of the said act, chapter I-22, R.S.C., 1970.

Text of a statement made in the House of Commons on April 6, 1973, by the Minister of Communications respecting the decision of the Canadian Transport Commission on Bell Canada's application to increase its rates.

HEALTH, WELFARE AND SCIENCE

WORK OF STANDING SENATE COMMITTEE PRAISED

Hon. Hazen Argue: Honourable senators, before the Orders of the Day are called I should like to say something that I think will be of interest to all honourable senators. The day following the meeting of the Standing Senate Committee on Health, Welfare and Science last Thursday morning to consider Bill C-147, amending the Old Age Security Act, Mr. Norman Cafik, member of Parliament and Parliamentary Assistant to the Minister of National Health and Welfare, who was the chief witness before committee, telephoned me to say something that he wished passed on to the Leader of the Government, the Honourable Paul Martin, and other honourable senators. He said, "Hazen, I want to tell you that I enjoyed appearing before the Senate committee on behalf of the government. I was greatly impressed with the operation of this Senate committee." He said that it was the first Senate committee before which he had appeared.

He told me that he had with him three high school students from his riding. During the same day they also attended meetings of three committees of the House of Commons. That evening he asked them, "Of all the committees that you attended today, which one impressed you the most?" Without exception they replied that it was the Standing Senate Committee on Health, Welfare and Science.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Arthur Laing moved the second reading of Bill S-4, to amend the National Parks Act.

He said: Honourable senators, I should like to emphasize the importance of this bill, and I hope that during the course of the debate a number of senators will be heard. This is a very important bill, dealing with one of our great natural assets, the national parks of Canada. There has been an immense increase in recreation in recent years, due in part to social improvements such as pensions upon retirement, so that the recreation industry of this continent today is of very great importance. The tourist business in Canada is worth approximately $1 billion per year to the country, but taking the average over the last 10 years it is in a slightly deficit position at the present time. It is important that we do everything possible to increase the present figure of roughly $1 billion per year. Of all the agencies in Canada that attract tourism, the national parks of Canada stand at the very top.

• (2010)

Up to 1968 we had 17 national parks. In 1950 there were 1.7 million visitors to those parks, and in 1960 the number had risen to 4.8 million. For the year ending April 1, 1973—the figures are not yet complete—it would appear that the number of visitors will be 15.5 million. They comprise people who not only drive through the parks but are registered with the park authorities as having stayed in the parks for 48 hours or more.

In 1968 a survey was made of where the visitors came from. It was found that cars entering our national parks travelled an average distance of 1,250 miles. Our magnificent highways, which ensure safe driving and provide easy access to our parks, are a tremendous encouragement to visitors not only from the United States but also from other countries.

We started first with those parks in the magnificent and superbly beautiful area of the Canadian Rockies. We now find that a major attraction for visitors from outside Canada are the five magnificent parks along the Atlantic coast. They are located within two days' driving of a population of 80 million people. Our American friends not only visit these parks, but many are buying land in Nova Scotia, New Brunswick, and Prince Edward Island.

Of the 15 million visitors to our national parks this year, about 4 million will have visited the two parks in the Canadian Rockies, Banff and Jasper, where we have spent approximately $55 million in creating, among other things, a highway connecting both areas. It is one of the great highways of the world and one of the most breathtaking.

Prince Edward Island, with a population of approximately 106,000 people, had 1.2 million visitors last year, many of whom stayed in the Island's magnificent national park covering an area of 150 square miles. Prince Edward Island has some of the finest beaches on the continent. They are probably the finest.

There is tremendous commercial value in our national parks. Later, on the subject of the creation of parks, I shall refer to the North country. The point is sometimes made that instead of setting this land apart, it might be better if it were made available for agricultural, mining or other purposes. The question is raised as to whether the more profitable is Caesar's money or God's. I am prepared to argue, that it is Caesar's money, because the parks are a tremendous contributor to Canada's gross national product, and they will continue to expand as time goes by.

The purpose of this bill is to facilitate better administration of the parks, and to enable additional parks to be created. I said that in 1968 we had 17 national parks. At that time, while I was minister responsible for these parks, I stated that by 1980 we should have 40 additional such parks, that they should be representative of the areas in which they were created, and should be for the benefit, education and pleasure of the Canadian people, and should be so dedicated.

We have put many millions of dollars into our national parks. The administrative costs annually are now somewhere in the neighbourhood of $40 million. Leases and proprietary licences within the parks provide a considerable return, but the greatest return is from the attraction of tourists. If you look through any of our publications inviting people to come to our country, you will find them to be replete with pictures from our national parks.

To go back into history a little bit, the first national park was established at Banff in 1887. Succeeding governments, in the establishment of national parks, have encountered some degree of trouble. If you establish a park you are probably going to dislocate someone, or you have people urging you not to go into a specific area because "there's gold in them thar hills," or coal, or water power, and they want to develop it. They feel there is much more money in the mining of gold or coal than in the establishment of a national park. I am prepared to argue there is more money in all the national parks so far established than in the development of any resources that may live within those parks. The setting up of a national park establishes an area for the relaxation of Canadians, and the preservation of our wildlife.

To go back to 1887, none other than the father of our country, Sir John A. Macdonald himself, introduced the bill establishing Banff. There was a debate at that time as to what tenure would be granted to the people living within the park. Those were the days when the railway had just gone through, and Sir John A. was endeavouring to encourage people from eastern and central Canada to go west and at least look at the country—to make a voyage of discovery—and he was extremely generous. So much so, in fact, that he has caused park officials since that time no end of difficulties. In the debate with respect to tenure Sir John A. had this to say, and I quote from *House of Commons Debates* of May 8, 1887:

> There is an objection to fixing a limit. As I understand, a portion of the park offers some beautiful sites for villas, and I believe the plan of the architect lays these out, to be leased to people of wealth, who will erect handsome buildings upon them. These buildings will have to be subject to the approval of the Government, to prevent any montrosities being put there to destroy the general beauty of the park. We cannot say what length of time we can get people to take leases for in order to induce them to put up handsome buildings. Twenty-one years are suggested as sufficient, but people will not build handsome houses on 21-year leases. If there is to be a limit at all, there must be the right of renewal. I think the hon. gentleman and the House may trust any Government with the settlement of that question in the interest of the property.

Out of that debate there was concocted the basis for some unusual leases. The terms were that the lease would be for 21 years, and renewed for 21-year periods and so on forever. These are the perpetual leases that have caused much difficulty for succeeding governments. The result of this is that there are elegant homes built by rich people in that park today for which the lease calls for a payment of $7 a year.

When I was minister, the feeling was that the time had arrived when Canadians wanted to terminate these leases. Otherwise, equity would encourage everyone to live in a park. The policy we decided upon at that time was that we would see out the balance of the current leases, and provide for one more 21-year term, following which the property would revert to the government. The whole matter wound up in court with the result that the perpetual leases were sustained.

One day someone is going to take a look at this again. That is a situation that cannot endure. A 21-year lease which is renewable for periods of 21 years ad infinitum, to my mind, amounts to fee simple and not a lease at all. Indeed, this was the basis on which we made our plea in court. These are some of the difficulties that the National Parks Branch has today.

Previous to 1968 the federal government did not participate in the payment for land to be used as a national park. We said to the provinces, "You obtain all the properties within the area defined, turn them over to us free of encumbrance, and then we will spend the money to build the park."

• (2020)

Because of increasing land values, and because of a sense of impropriety in roughly moving people out of places, we now find that we have to participate in the purchase of the parks. In the case of Pacific Rim, on the west coast of Vancouver Island, we had intended to pay about $2.5 million; I think we will wind up paying about $6.5 million to acquire that property, apart from provincial participation.

It is unjust to ask people—particularly older people—to move from, or to discommode them in areas in Newfoundland, for instance, which contain fishing villages. It is a very grave thing for older people suddenly to be told, "You have got to move. This land is going to be a national park." I congratulate the present minister on having gone so far as to say that the people within those areas can live there as long as they like, but they cannot sell their properties to private individuals; they must sell them to the government. This seems to me to be a very fair and just method of consolidating these parks.

Clause 1 of the bill defines "public lands" for the purposes of the National Parks Act. This definition is made necessary because an agreement with some provinces provides that lands revert to the provinces where Parliament declares that those lands are now required for park purposes.

Clause 2 authorizes the Governor in Council to amend the schedule to the National Parks Act by adding to any park described therein lands owned by Her Majesty in right of Canada where agreement has been reached with the province. At present the schedule to the act may be amended only by Parliament. By delegating this power to the Governor in Council for the purpose only of adding lands, but never subtracting them, the need to amend the act each time is obviated.

Clauses 3 and 4 concern regulations for the control of traffic within the parks, the payment of traffic fines, and the establishment of lower maximum fines.

Clauses 5 to 8 are intended to provide new legal descriptions for the national parks mentioned therein. There is a new name, in common usage, of Prince Edward Island National Park, which was formerly called Prince Edward National Park, and the reclassification of Fort Beausejour and Fort Anne as national historic parks rather than national parks.

In the schedule will be found a definition of the new parks that are suggested. There is provision for the ultimate establishment by order in council of ten new parks. Agreements have been concluded with the provinces in almost every case. Reconciliation has been made in the case of the parks suggested in the two Territories with the Councils of the Territories, and in one case with the mining organization, the Yukon Chamber of Mines.

There is a difficult situation in the North, and Mr. Chrétien proposes to set aside very large acreages up there. I am all in favour of this. I think those areas should be set aside now. We do not need, nor would it be advisable at this time to supply, a great deal of money to establish facilities there, because the visitors will be few in number. However, last year 1,250 people visited Nahanni. The Nahanni River flows into the Liard River south of Virginia Falls, and at the peak season of flow discharges about 30,000 feet per second—which is a lot of water—over a drop of 316 feet, which is twice as high as Niagara. It is one of the great spectacles of Northern Canada. I certainly favour the setting aside of that area.

A like decision has been taken at Kluane in the Yukon, a very large area of 8,600 square miles, which includes some of the biggest ice areas in the world and the highest mountain on the continent, Mount Logan. I am not certain about that, but it is the highest mountain in Canada, in any case. It is an area of unsurpassed beauty.

I have told the minister that in my view there is going to be a great deal of tourism to the Canadian Arctic. We are serving people today with time on their hands, and money in their pockets. They have been to Africa, South America, and all over Europe, but they have not been to the Arctic yet.

I suggested to an airline company in 1968 that they might get busy taking people out of the sweltering heat of New York in August to the Arctic. I said they might die of pneumonia, but at least they would die happy. I am quite sure there is an enormous possibility of tourist development there. It is going to be done with airplanes in the future. We will have landing fields in these places for huge airplanes. People will spend a week there, and the planes will take another load out on the return journey. This is the kind of thing that will develop there, but it is a long time off yet. It costs a great deal to go to northern Canada.

We have found that the demand for accommodation in the parks is for reasonably priced service. Great numbers of Canadian families go. They put quite a bit of money in the gas tank to get there, and they want as much money left over as possible to enjoy themselves in the park. If the entire family goes, it becomes very costly to go into the high-priced hotel areas. The facilities in these parks today for campers are simply superb. A great deal of improvement is being made.

Honourable senators, I want to turn to the North again for a moment. There was representation made by the Yukon Chamber of Mines; and I am aware of this. They were the people who said, "There's gold in them thar hills, and you had better stay out of it." Happily, I have a letter dated March 27 from the Commissioner of the Yukon Territory, Mr. James Smith, telling me that in the discussion with the executive of the Yukon Chamber of Mines they seemed to agree to the boundaries of the national park as set out, but they succeeded in reducing the original intent of the National Parks Branch by some 2,000 square miles. There is an area of 8,500 square miles, to which the chamber is agreeable.

There is another interesting aspect of this. The two Territories in the North, will never live by tourism. It is just an additional pleasure for Canadians to see that magnificent country, and an addition to the normal local income. Mr. Smith told me that last year the Yukon Territory, with a population of about 18,000 people, had 22,000 visitors who stayed and spent money there for 48 hours or more. It is on the Alaska Highway, of course, and is accessible to a great number of Americans as well as Canadians, and more and more people are going every year.

In that country we are going to require, in the not very distant future, a considerable amount of electric power. The growth of mining in the two Territories is becoming spectacular. In 1960 the total production from the mines in the Yukon Territory and the Northwest Territories amounted to $21 million. In 1972 it was $228 million. I predict that within five years that figure will double again, to at least half a billion dollars. The action of the ice age accomplished much of the work which the miners otherwise would have to do, by scraping off the top and disclosing the mineralized bodies. This natural removal of overburden is of immense importance.

• (2030)

Last year 72 per cent of the tungsten and 52½ per cent of the lead produced in Canada came out of the Territories. Now there is a great new project on Little Cornwallis Island, where the overburden is such that it could be economically removed but, the weather being what it is on that island, the company has decided to move underground. Very rich ore has been discovered.

There are pretty solid reports of new finds in the North. One was made not long ago close to the old Canol road, which was built during the war. I am reliably told that had the Canol Road been half a mile north it would have run right through the ore body. That body of ore is reputedly good for 100 years.

The point is that we have immense value up there, and we have to think about providing power. In my opinion, we are not many years away from the time when we shall have smelters in the Territories. Indeed, part of the contract that we made in 1966 with one of the corporations in the Ross River area, which is operating extremely economically and profitably today, was that after eight years, if certain conditions existed, they would then commence construction of a smelter. But if we are going to put smelters there, we require power.

In that regard, Mr. George Smith of McElhanney Surveying and Engineering Limited in Vancouver prepared a report for the mining industry of the Yukon. I am quite aware of the importance of looking at the production of power and not encroaching upon areas where we can get the power to best advantage. I would think that the Nahanni and Kluane areas, where Mr. Smith says we could put in six million megawatts of power if we wanted to, are the prime power potentials in those two Territories. But both Territories have within them an immense quantity of falling water, and there are other areas where, with less investment, we could get power at a price almost equal to the very cheapest. So there is a reconciliation today on the part of the mining companies and the National Parks Branch that we will set these two magnificent areas, Kluane and Nahanni, apart for national parks, and when we need power we will obtain it from other areas.

George Smith, incidentally, is the man who did all the water engineering for Alcan when it created that great lake in the centre of British Columbia and built the powerhouse at Kemano. They produced a million megawatts of installed power for $16 million by building a tunnel. There is so much water there that they could double that with another million megawatts if they built another tunnel. George Smith's chief concern is that a proper survey be made of the projected requirements for power in the area and what is available. I have no doubt that this will be undertaken by Northern Power Commission, which is a crown corporation of Canada.

I think we have protected the commercial interests adequately in setting out in the schedule the new parks that are suggested. I am not going to name them; they are in the schedule. They are all difficult to pronounce. I had a very difficult time when the late George Nowlan impressed upon us the importance of Kejimkujik National Park, and I do not want to get into the pronunciation of all the other difficult names, but the outline of the parks contemplated is here.

This bill, if passed, will give authority to the Governor in Council to establish these parks, having concluded arrangements with the provinces and having obtained the consent and agreement of the territorial governments of both the Yukon and the Northwest Territories.

On motion of Senator Norrie, debate adjourned.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from Thursday, April 5, the adjourned debate on the inquiry of Senate Cameron, calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. Eugene A. Forsey: Honourable senators, I rise to speak briefly, but I hope forcefully, in support of the inquiry which has been launched by the Honourable Senator Cameron, which I fervently hope he will pursue by sending this matter to the appropriate committee of the Senate for study.

I can add nothing to the substantive arguments, and the facts, which have been presented in support of this inquiry. I merely want to underline some of the things which seem to me to be relevant.

First of all, beyond question I should say, the present state of our transportation leaves much to be desired. I think it has become evident all across the country that not only has the freight rate structure come into question in many parts of the country—and this is a matter of prime, indeed of capital, importance, particularly to the West and the Atlantic provinces—but also that the passenger services offered by the railways are highly unsatisfactory and are becoming more so. This situation applies all across the country, not merely in the West or in the East. It has given rise to very serious complaint from many of the members representing rural constituencies in Ontario in the other place.

I suppose there is nothing unusual about people being dissatisfied with the state of transportation in Canada; perhaps never morning wore to evening but somebody has complained of the deficiencies in transportation in this country. But I think, honourable senators, the dissatisfaction has now reached, if not an all time peak, at any rate a particular peak in the last few years. I think there is a growing feeling also that we are not making the

very best use of all our transportation resources, that perhaps we are making inadequate use of the passenger services of our railways while spending an undue amount of money, to somewhat dubious purpose, upon further development of highways, airports and so forth.

These are large questions which I shall not attempt to go into in detail now, because this would be a tedious exercise and my competence to do so is highly questionable. But I think there is no question that a vast number of well-informed people are experiencing a good deal of uneasiness on these subjects, and that is putting it mildly. I think it is high time we had a fresh and thorough inquiry into this matter. To the best of my recollection, it is some time since we had a comprehensive and thorough inquiry and considerable development and changes have taken place since that inquiry was concluded. Not merely have there been very considerable economic changes and very significant shifts in population, but there have also been very considerable changes in technology and there has been an enormous increase in the public concern over the environment and the pollution of the environment. This is something which I think at the time of the last inquiry into transportation, as nearly as I can recall, was certainly not in the forefront of public consideration.

• (2040)

I recognize that this is a vast subject and possibly some people may feel that it is rather too large a bite for a Senate committee. I don't know that I share that view.

I have recently been reading in draft a very interesting pamphlet or booklet on the Senate and its work by our distinguished Law Clerk, Mr. Hopkins, in which he sets forth in some detail the investigative work of our committees over the past few years, a relatively short, recent period. Although I was already aware of a good deal of this, I was profoundly impressed by the extent, variety and depth of the investigations, quite beyond what I had gathered from relatively casual observation. I think this is some of the most important work that the Senate does. It was not contemplated by the Fathers of Confederation. But I think it is something in which we have shown innovative powers, and in which I think we have done the public of Canada a great service. I perhaps should not say "we," but rather this house, because, after all, most of this work had been done before I was ever heard of in this chamber. But even in the short time I have been here I think we have had some remarkably important and valuable pieces of work done by committees of investigation.

I am not sure, by any means, that a Senate committee would not be able to do this job and do it very effectively, quite as effectively as a fresh royal commission and probably more cheaply. We have people here who have immense competence in this field and an immense knowledge of it. I think we can always, if the house grants us the necessary funds, provide ourselves with more than adequate, with excellent, professional staff to help the committee in its investigations. And while the matter might take some considerable time, and might extend indeed over several sessions of Parliament, it doesn't seem to me that it is beyond the compass of a Senate committee to accomplish an immense job here and even, perhaps, lay the foundation for a whole new departure, and a very salutary new departure in public transportation policy. If the worst came to the worst, and the Senate committee, after delving into the matter to the extent it found possible, decided that the job was too big for it to finish, it could always present to this house its findings, with the recommendation that the investigation should be carried further by a royal commission set up by the government and endowed, perhaps, with a larger staff and larger funds than the Senate might see fit to grant one of its own committees.

I think at least we should make a beginning, and I think we are capable of making a beginning and a good beginning, laying the foundation at least for a new transportation policy in this country.

I sometimes think in my more pessimistic and jaundiced moments that our descendants, looking back upon the state of transportation in this country at present and the use of our various transportation resources, may be inclined to say that we were quite insane in the way in which we used, disposed of, these resources.

I think that sending this matter to the appropriate committee of the Senate might enable us to anticipate to some extent, and possibly to obviate, the verdict of posterity.

On motion of Senator Heath, debate adjourned.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.—(Honourable Senator Molgat).

Hon. Paul Desruisseaux: Honourable senators—

The Hon. the Speaker: Is it agreed, honourable senators, that the Honourable Senator Desruisseaux should speak now instead of Honourable Senator Molgat?

Hon. Senators: Agreed.

[*Translation*]

Hon. Mr. Desruisseaux: Honourable senators, I listened with great interest to Senator Croll's speech on the need for Senate reform as an alternative to abolition. Since I have had the privilege of knowing him, that distinguished senator has always seemed to me to be a forerunner.

Tonight, I certainly don't intend to criticize or judge the views of my honourable colleague on his proposals for reform.

I think he was quite right in expressing so forcefully his views on a reform plan that he proposes for the good of the Senate, and to tell us the alternative he sees for us and for the future of Canadian parliamentary structures.

Cyclically since Confederation, the abolition of the Senate, its reform or change, have been suggested or discussed, but always with the same end result that it has remained essentially the same and without any considerable alteration.

In 1874, seven years after the adoption of the Constitution, Mr. David Mills proposed that the House, in committee of the whole, consider the following resolution:

> That the present mode of constitution of the Senate is inconsistent with the federal principle of our government system, that it makes the Senate independent of the people and that consequently our Constitution should be amended to give each province the power to choose senators.

The debate on the motion bore no fruit.

Taken up once again in 1875, the motion of Mr. Mills gave no more results. This time, the House did not meet in committee of the whole, the motion having been withdrawn.

In 1906, the subject was brought up once more by Mr. McIntyre, who presented the following motion:

> That, in the opinion of this House, the Constitution of the Senate should better conform to the spirit of popular and representative governments, and the spirit of the Canadian people, through amendments for future appointments; firstly, to abolish the apointment of senators for life; secondly, to limit their mandate to the legal term of three parliaments; thirdly, to provide for compulsory retirement at an age not to exceed 80.

The motion was withdrawn following debate.

In 1908, Mr. McIntyre reintroduced his motion. Once again, after an open discussion, the debate was adjourned without any action being taken.

In 1909, 1910 and 1911, Mr. Lancaster again alleged some delinquencies on the part of the Senate. He moved that a petition be presented to His Majesty to the effect that:

> The Senate was no longer required or recommended to ensure the role of responsible government in Canada or to ensure the prerogatives of the Crown.

By a vote of 111 to 22, the motion was defeated in 1910.

An Hon. Senator: In the House?

Hon. Mr. Desruisseaux: In the House.

On further debate, in 1911, it was left to lapse without a vote being called.

In 1909, Sir Richard Scott brought forward the matter of Senate reform in the Senate itself. In the Senate, he moved a proposal of Senate reforms which are clearly indicated in the first three paragraphs of his presentation. I quote:

> Firstly, that in the opinion of the Senate, the time would have come to amend the constitution of this branch of Parliament, so that the selection method of senators be more in harmony with public opinion; secondly, that the introduction of an elective element to be applied to approximately two thirds of the members of the Senate would result in the Senate being more in line with the principles of popular government, than the present system of life appointments, for all Senate members, by the Crown. Thirdly, that the time for which a senator might be appointed or summoned would be limited to seven years.

Although this recommendation was discussed in a free and unrestrained manner, no vote was taken. Laurier, Meighen, Mackenzie King discussed the matter without ever introducing any amending legislation nor any constitutional measures which would have allowed major reforms of Senate powers. A year ago in April *The Parliamentarian* magazine published an excellent article on the Senate of Canada, by Senator John J. Connolly, the government leader who preceded Senator Paul Martin. I wish I could have seen it published for the public at large in our media.

Reading it again, quite recently, I realized how cleverly the author was pleading—

• (2050)

[*English*]

Hon. Mr. Croll: The sound for the translation is off again.

Hon. Mr. Choquette: You are missing a lot, because there were other people who thought the way you did.

Hon. Mr. Desruisseaux: The translators have a copy of this speech and should be able to read it off.

Hon. Mr. Croll: The sound is on now.

[*Translation*]

Hon. Mr. Desruisseaux: Reading it again quite recently, I realized how cleverly the author was pleading for the acknowledgement of the services rendered by the Senate, for the appreciation of its value to Parliament and for the Canadian people. This is further to an excellent study of its present structure. The author concluded and I quote:

[*English*]

> Changes will come to the Senate. Most of them will be called reform. Powers, tenure, method of appointment, all will be under scrutiny. Egalitarians will urge abolition or election. But the Government of the day must approach reform with a high sense of responsibility and a clear understanding of the traditions and value of the parliamentary system. Of this system Churchill once said: "Parliament is not the best arrangement for the governance of men. But it is the best so far devised."

[*Translation*]

I agree entirely with those remarks. Futhermore, I do not think that a general reform would be desirable or possible under a minority government such as the one we have now.

I think that the abolition of the Senate would serve no positive purpose either in the short term or in the long run. The Senate remains the best institution to guarantee from a constitutional point of view representation of each and every province of Canada with a say in the government of the day.

Finally, to continue, who does not remember the periodic attacks against the Right Honourable Mackenzie King until he retired because he would not take action on a so-called arrangement to reform the Senate.

The Right Honourable St. Laurent and the Right Honourable Diefenbaker around 1950 also dealt with Senate reform. Senator Dandurand and Senator Norman Lambert, or "Norman Lambert," dealt with the same question in 1950. They discussed it seriously but they never introduced or initiated corrective legislation which could have allowed some measure of reform.

After my appointment to the Senate in 1966, our senators approved the abolition of tenure for life and retire-

ment at 75, the retirement age for Supreme Court judges. That seemed acceptable at the time. So Senator Croll is not bringing us anything new.

[*English*]

Personally I agree there must be, at times, certain necessary Senate reforms for our normal evolution and betterment. Let me say again, however, I am not a politician. My sympathies have been Liberal for reasons I would have to give for each occasion. I was summoned to the Senate in 1966 and shortly before the end of my first year in this chamber I came to the Senate for weeks with my resignation in my pocket. The role of a senator appeared to me to be frustrating. I would probably not be here today if it had not been for the intervention of good friends here, to whom I had revealed my intentions.

Hon. Mr. Flynn: You should have tried the other place; you would not have stayed there very long.

Hon. Mr. Desruisseaux: In my case?

Hon. Mr. Flynn: Yes.

Hon. Mr. Desruisseaux: Would you tell me why?

Hon. Mr. Flynn: For about the same reasons you had for hesitating to remain in the Senate.

Hon. Mr. Desruisseaux: It is possible that I could not be elected to the other place, but I was chosen and summoned to the Senate and agreed to become part of it at the time. If there is anything that offends anyone so far as my presence is concerned, I am sorry.

Hon. Mr. Flynn: No, I hope you do not misunderstand me. I was saying that if you had been in the other place you would have discovered frustration to be the order of the day there also.

Hon. Mr. Desruisseaux: Oh, I am sorry.

Hon. Mr. Flynn: That is all I meant.

Hon. Mr. Desruisseaux: I quite agree and I probably would not have had enough patience to remain there.

Hon. Mr. Bourget: You do not have to agree with Senator Flynn; he is on the other side of the fence.

• (2100)

Hon. Mr. Desruisseaux: As I said, the role of a senator appeared to be frustrating, and I would probably not be here today had it not been for the intervention of friends here. The Senate, I thought, had not enough fire, not enough real soul. Its participation in Parliament had lessened and dimmed because over the preceding decade too many people in government or in our media had been ignoring the Senate.

Very little legislation of any importance is now initiated in the Senate, although it is easy for this to be done. The Senate could effectively assist Parliament to realize the goals contained in the Throne Speech, but it is not being called upon to do so, as it should and could.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Desruisseaux: A correction in this area is possible at any time, and requires only the support of the other place and the co-operation of the civil establishment. There has been no effort on the part of the government recently, or that of civil establishment, to appreciate fully the value of the reports and recommendations of the Senate, such as those of the Standing Senate Committee on Banking, Trade and Commerce on fiscal reform, the economic report of the National Finance Committee, the report of the Poverty Committee, the report of the Special Joint Committee on the Constitution of Canada, and many other reports that were adopted by the Senate in recent months. This has been the case in recent years.

The deliberate ignoring of what comes from the Senate has, in my view, an erosive and corroding effect on the work and efficiency of the Senate. The systematic depreciation of the prudence, wisdom and judgment shown by the Senate time and again, the ridiculing of the advanced age of some of its senators, however unjust and untrue, affects the thinking of people about the Senate, and affects also its image with regard to its reliability and acceptability.

The choice of new senators is not a matter for silence here. To avoid criticism, and to encourage the highest standard of quality in the Senate, the matter of choosing new senators must continuously receive close consideration.

Many of the recommendations made by Senate committees have been highly constructive and positive, and, in the view of many of those who have surveyed and analyzed the committees' reports, have been in the best interest of Canadians. The stable views of most honourable senators in these matters are well known. We know that more than at any time in the past, the Senate can be a reliable force against extremism in legislation. It has also come to be fully recognized that the Senate—the unreformed Senate, as some call it—retains a realistic understanding of the orderly and progressive evolution of Canada's needs.

The Senate needs many improvements and reforms. Many of the proposals that have been made at different times can be put into effect by us if we can receive the appropriate support. However, I feel that many of the improvements that we talk about for the Senate are also needed for the other place, where the members debate, often endlessly, without being able to make much progress, except for the passing of very minor legislation.

Reforms are also needed in the civil establishments. Often they appear to run the show for governments, and usually they are the real architects of much of our legislation.

With regard to the Senate, why should not legislation which does not involve taxation or money be initiated here, where matters are constantly assessed with good judgment, wisdom and competence, and on a less political basis? We are somewhat to blame for not having approved or condemned in the past some of the proposals put forward for Senate reform. Many reforms have been proposed since Confederation, and these can be examined and studied much better in the Senate than by a minority government exposed to the pressures of a relatively small group in the other place.

When listening to my colleague and good friend Senator Croll, I asked myself: What would be the fate of any bill dealing with Senate reform that was sponsored by a minority government? How far would a minority govern-

ment have to go along unwillingly with the demands of abolitionists and opponents of the Senate, who somehow hold the balance of power in the House, regardless of the fact that they represent a relatively small number of Canadians?

We have to remind ourselves that our major role is to protect the rights of each province, which, from constitutional necessity, would have to be consulted, and whose unanimous and unreserved approval would have to be received on some of these matters and most assuredly in the case of any proposal affecting a change in the power of the Senate.

It seems to me that there are really no magic, easy, simple formulas for wise, major modifications or proposals effecting a reform of the Senate. This explains more than anything else why, since Confederation, despite repeated discussion and tabling of plans for reform of the Senate, nothing concrete or positive has ever resulted. I believe also that, in good part, Senator Croll's 12 propositions repeat, with variations, reforms proposed for the Senate since Confederation by some of our political figures.

• (2110)

I somehow fear the immediate consideration of Senate reform proposals by a Parliament led by a minority government, thanks to the endorsement of some very special thinking representatives of the other place who offered the government their support only through shrewd and hard bargaining and dickering, without any respect for the views of the majority. I feel there would be too much to lose, no matter how one looks at it, faced with the pressures and forced compromises imposed upon the government by the "mighty 30" in the other place.

In conclusion, I agree that there is a need for reforms in the Senate, some of which have been mentioned at one time or another. I would not hesitate to support those which appear reasonable and constructive, were it possible that they could be acted upon internally, thus eliminating any outside pressures. Personally, I could not support consideration being given to any reforms of the Senate requiring either provincial approval or the approval of the other place until such time as there is a stable majority government in power, a government which could not be pressured on such basic issues, and one which would not have to rely on forces of opposite philosophical thinking and conceptions as to the structure of our Parliament. The result of an inquiry in the present circumstances would go far beyond the desires of those who favour the reasonable and constructive evolution of this chamber, not its revolution or destruction.

There is a need for Senate reform, but the time to study it is, in my view, badly chosen.

On motion of Senator Manning, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, April 11, 1973

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

Prayers.

THE HONOURABLE JOHN NICHOL

STATEMENT AND TRIBUTES ON RESIGNATION FROM THE SENATE

Hon. John Nichol: Honourable senators, I rise on a question of personal privilege. I should like to make a statement, if I could.

Hon. Senators: Agreed.

Hon. Mr. Nichol: Honourable senators, as you no doubt know, I have taken the somewhat unusual step of resigning from this institution. As you can imagine, this has been a decision which has not come easily at all. It has been very difficult. I wish to speak to you this afternoon to tell you a few of the things that have run through my mind as I have approached this decision. I will try not to take too long.

This institution has as its members men and women who have contributed their lives to the processes of democracy in our country. They have served as politicians—and I consider politics to be an honourable profession—and as legislators either in provincial legislatures or in the other place. We have among our members those who have served as federal cabinet ministers and provincial premiers. We have eminent journalists, men and women of the law and representatives of every walk of life.

As I say, my decision has been a very hard one, particularly because of the friendly and interesting personal relationships with my colleagues in this house, relationships which I value highly and which I hope will not end even though I will not be sitting with you in this chamber. To say goodbye to membership in such a company of dedicated Canadians is very difficult. But we must all decide the way in which we allocate the time available to us in this life. I could see that my job as Chairman of the new Lester B. Pearson College of the Pacific, added to other responsibilities that I could foresee, would make it extremely difficult for me to discharge my duties here in a way which would satisfy either my standards or yours.

It was reported in the press that I intended to speak out on the need to reform the Senate once my departure was official. That is an oversimplification which I would like to correct here. Having spent seven years here it would be somewhat strange if I did not have some opinions. I really cannot pretend that I have no idea about how the Senate might change. I do have some, and with your permission, honourable senators, I would like to express them to you.

To begin with, we live in—it has been said so often that it has become a cliché—an age of ever-accelerating change. The revolution in air travel has shrunk the world. Television has opened the minds of men to 10,000 crises a week. In intellectual and psychological terms, revolution is tumbling like waves on a beach. All of our institutions—governments of municipalities, provinces and countries, religious institutions, the press, legislatures, corporations, labour unions, schools, universities—all of these institutions are struggling to define their roles to cope with these waves of change. The Senate is no exception.

The Fathers of Confederation saw the Upper House as a place where regional interests could express themselves, as a place where caution might hold in check what they thought of, perhaps, as being over-excited democracy, and as a well-known place of sober second thought.

But times have changed. The provincial governments have grown strong. In fact, the fear has been expressed that the federal-provincial conference in a more institutionalized form might become a form of super-government and preempt some of the powers of Parliament.

The people, the Senate, and the senators, have long ago discarded any idea that the Senate has any real power to pre-empt authority from the democratically elected members of the other place. Of course, there is a forum for regional expression here. Recently we have heard some very good speeches by Senator Manning from Alberta and Senator Laing, from British Columbia, expressing such regional thoughts, and certainly one can imagine extreme circumstances in which the Senate might stand against the other place on some matter of overriding importance. But in day-to-day terms, these functions have diminished in importance. This leaves the question of sober second thought or, to use another term, legislative review.

• (1410)

We all know that the Senate performs an important function in this respect. I did some research on this point, the result of which was that from 1867 through to 1960 a total of 4,230 public bills came to the Senate from the other place, of which something in excess of 20 per cent were amended by the Senate, which is demonstrative of the necessity for this legislative function in some form.

Mr. J. A. Kunz in the book entitled, *The Modern Senate of Canada*, says this, and I quote:

> It seems fair to say that the services rendered by the Senate during the last thirty-seven years in form of technical amendments to government legislation have demonstrated its constructive capacity as a revisory body of great usefulness. The Senate has made a wide variety of important, though unspectacular, improvements in public bills, either on its own initiative or upon requests from the Government of the day. It is probably true that, apart from the actual operation of the "pruning hook," the knowledge that all legislation will be accorded a second look in the Senate has helped relieve the Government of too much worrying

about the technical quality of legislation and enabled the House of Commons to concentrate more intensively on its primary political role.

But how difficult the role of the Senate sometimes is! I oversimplify somewhat in what I am about to say. As honourable senators will recall, in December 1971 the Senate finally got the income tax bill from the other place. It was received, I believe, three days before Parliament was to recess for Christmas. The Senate had been examining the background and clauses of that bill, as well as the white paper which preceded it, for several years. The Senate gave very careful consideration to that bill in committee. Yet the Senate was placed in an impossible position. To pass the bill promptly was to appear to rubber stamp; to delay it was to defy the expressed wishes of the democratically elected members of the other place on a tax bill. The Senate's decision was to pass it and the result was a storm of criticism in the press.

On the other side of the coin, in 1972 the Senate received the bill dealing with the changes in the Unemployment Insurance Act. The Senate decided to look at that bill for one day, as I recall, and the press was highly critical of it for holding up the unemployment insurance cheques. Since no senator wanted to do that, obviously, we again passed the bill with limited consideration, the result being that we received serious press criticism for taking too long. This is a serious dilemma.

It is true, as these examples indicate, that the other place expects the Senate to rubber stamp its wishes. This places the Senate in an intolerable position. It is virtually forced by the other place to abdicate its responsibilities in the legislative process. But we all know these facts: the Senate does have a role in the legislative process, but the system of Parliament in the other place and the pressures of time and politics force the Senate to rush, when perhaps it should not; force it to act, when perhaps it should indeed apply sober second thought.

Let me talk for a moment about Senate committees. There have been many examples of outstanding and valuable studies by our committees, but in recent years I point to Science Policy under Senator Lamontagne, Poverty under Senator Croll, Mass Media under Senator Davey, Foreign Policy under Senator Aird, and Growth, Employment and Price Stability under Senator Everett. These studies were the combined efforts of many senators over many years. The process is a slow one. As all honourable senators are aware, it begins with the gradual accumulation of information, the slow sorting of ideas, the slow sifting of fact from fiction. It ends with the writing of the report, again a long and difficult job. The end result, however, is of real value.

There are many commodities in perpetual shortage today and one of the scarcest is common sense. The Senate committee reports are characterized by common sense or, if you wish, wisdom—which is a word that has gone out of style. The report of the Standing Senate Committee on National Finance, for instance, on Growth, Employment and Price Stability, on which many of us were privileged to work with Senator Everett, is *must* reading for people searching to find solutions or the beginnings of solutions to the problems of inflation and unemployment.

[Hon. Mr. Nichol.]

So we all agree that there is a role for the Senate in the legislative process. If you accept my first premise that this institution, like all others, must adapt to meet the waves of change, what then? What of that ever-blooming perennial, Senate reform?

Perhaps in order to have some reference point for my suggestions, of which I will make quite a few, I will refer to Senator David Croll's speech of last month. You will see as I go along that I disagree with many of his suggestions and agree with others. I told Senator Croll that before I came into the chamber, so we have an amicable understanding.

I feel I cannot leave here, honourable senators, without giving you my thoughts, and I hope you will feel I am being constructive. To begin with, as you can judge by what I have just said, I reject abolition of the Senate. Secondly, the call for an elected Senate is made only by people who do not understand the Canadian legislative process. I can think of nothing more confusing than a second elected body attempting to be the valid spokesman for the people, in direct day-to-day competition with the other place. Such a suggestion is nonsense, unless Canada were to go all the way to the United States congressional system, and I do not suggest that either.

Senator Croll dealt with change in the Senate by making twelve points. I should like to give you my comments on those points, not necessarily in the order in which he dealt with them. The last point he dealt with was content, if I could call it that. He called for a standing committee on miscellaneous Canadian affairs. My comment is that the Senate itself is a standing committee on miscellaneous Canadian affairs, and that to produce another committee to deal with such a wide spectrum of problems in Canada would be redundant. I would therefore say that if the Senate wishes to deal with these problems it has the power to do so on a one-to-one basis without forming such a committee. I have a feeling that every time you can get rid of a committee in this life it is a constructive thing to do.

In points eight and nine he spoke about liaison between the government and the Senate and the independence of the Senate, and suggested that the Leader of the Government not be in the Cabinet, that a minister without portfolio from the Senate be appointed to represent the government here. I disagree with that also. The power goes where the power is in the system, and someone who is a member of the Cabinet and a member of the Senate will become the power in his own party in the Senate, and whoever else was called the government leader but was not in the Cabinet would be a leader in name only. I think little would be gained by making that change.

Senator Croll also spoke about age limits for the Speaker, the Leader of the Government and the Leader of the Opposition. I disagree with this, although I suspect I understand what he was getting at. There is a thing loose in this country which I call, for want of a better name, age bigotry. I am certainly not accusing Senator Croll of that. There is a theory going around that young people are brighter than old people. It is one that I reject. I think young people may be more active and may move in more directions at once, but they are not necessarily brighter. They are certainly not necessarily brighter in an institu-

tion of thought, which this is, rather than an institution of action. I would think that to put an age limit on the chairmen of standing committees, of the Leader of the Government, or the Leader of the Opposition would be unrealistic, so I would turn down that idea.

The next question with which he dealt was the election of certain officials of this institution, specially again the Speaker, the Leader of the Government and the Leader of the Opposition. Since I have been here we have had as Speaker the Honourable Senators Maurice Bourget, Sydney Smith, Jean-Paul Deschatelets, and our present Speaker, Senator Muriel Fergusson—all appointed, and all, I am sure you will agree, above any criticism as to the performance of their duties. I believe that the election of a Speaker by this chamber would lead, since there are some politicians here, to a competitive atmosphere, which would be bad, and would lead to the winner being not sure how much confidence he had in this house.

Hon. Mr. Choquette: He would be a Liberal.

Hon. Mr. Nichol: I would certainly continue with the appointment of the Speaker. I think our history here shows that to have worked.

Similarly with the Leader of the Government. If the government leader is to be in the Cabinet, as I have already suggested, in conflict with Senator Croll's suggestion, then he certainly has to be appointed by the Prime Minister, and presumably the Prime Minister would consult with his party people in the institution before making such an appointment. The same is true of the Leader of the Opposition. I would think that the Leader of the Opposition in the other place would feel very strongly that he should have the right to appoint his senior representative in this institution. So, regretfully, Senator Croll, I have to turn my back on those three suggestions of yours.

• (1420)

He spoke also about the distribution of senators, or redistribution, that is, having more from different provinces than there are now. I would thoroughly agree with that. I would not want to argue about the numbers, because one could spend a long time on that. Particularly, since I come from British Columbia, I may mention that he suggested 12, and that seems like a nice round number. But we should make some adjustments. That would be difficult to do. I am not a constitutional lawyer, but surely that involves a constitutional change.

He spoke about the need to have more people from minority groups in this chamber. That is essential and we would all agree with that; but that really is up to the Prime Minister of the day, who makes the appointments and who has to keep an eye on the spectrum of Canadian social life.

He suggested that the supporters of any one political party should not comprise more than two thirds of the Senate at any one time. This is a very good idea. I do not have any suggestions as to how it could be done. He suggested constitutional reform of some kind, and there may be some way in which it could be done. If so, it would be well worth doing.

Having dealt with those points, I should like to deal with a question he brought up in his two points on the suspensive veto or the legislative power of the Senate. He suggested that the Senate should abdicate its power to veto bills coming from the other place and should replace it with the power to hoist bills for six months. I support that, with this modification. In discussing the tax bill a few minutes ago and the unemployment insurance bill, it seemed to me that a six months' hoist would not have helped us under those circumstances. Therefore, I would agree that we go one step further and suggest that on money bills or tax bills the hoist should be much shorter. I am told that in the United Kingdom the House of Lords can delay a tax bill or money bill for 30 days. That seems reasonable. I think back to the situation we were faced with on the tax bill of Christmas 1971. In terms of the country's tax structure—whether the bill is good or bad is irrelevant to this argument—a six months' hoist there would have been terribly disruptive in terms of the people of Canada knowing where they were going to be with taxes for the following year. Therefore, on tax bills and on money bills, if there is to be a legislative hoist it should be much shorter, if it should exist at all on bills of that kind.

Finally, in dealing with the schedule of suggested ideas that Senator Croll put forward for our discussion, we deal with the combined question of the age at which senators should retire and the question of the length of appointments.

I have a proposal which I made privately before and which I should like to place before you for your consideration, as you will be looking at this problem. It goes like this. First of all, the present retirement age of 75 should be abolished—with a qualification which I will discuss in a minute. Basically, I am saying that the present retirement age of 75 should be abolished. Secondly, there be a term appointment to the Senate. The length of the term is difficult to set, because there are many problems involved in it. To take someone in the middle of his life and say he should take 15 years out to serve in the Senate and then retire and go, is difficult. So, taking the life of three parliaments—which would be legislatively 15 years and in actual fact more like 12—somewhere between that and 20 years, it seems to me should be the length of a term appointment to this institution.

I also suggest that there be created two tiers of senators, Senators Active and Senators Emeritus. Senators Active would be the 102 senators who are set down in the British North America Act as representing the various regions of the country. Those senators vote in this house, they vote in committees, they perform the legislative function and they form the backbone for the investigative work of the Senate.

But when a person has served for 15 years, or whatever the term might be, that person then would become a Senator Emeritus. What is a Senator Emeritus? A Senator Emeritus keeps his title. He goes on a pension to be determined on the basis of the length of service, and so on. A Senator Emeritus could, if he wished, speak in this chamber on any issue with the prior permission of the Speaker. A Senator Emeritus could serve on any committee of the Senate if requested to do so by the committee. There would be a place provided in this chamber where a Senator Emeritus could come to see the proceedings, if there were things of particular interest to him, and I

would suggest that office space could be provided so that if he came here to work he could do so.

With this two-tiered system you would then have 102 Senators Active and, just guessing at a figure, possibly 100 Senators Emeritus. Let us look at what that would do for the Senate. With this system the Senate could get rid of the retirement age, which would mean that people of the calibre of D'Arcy Leonard, Ross Macdonald, Larry MacKenzie, Madame Casgrain and Senator Roebuck, to use a prime example, could still be giving us the benefit of their wisdom. Think of Senator Crerar, whose last speech made when he was in his nineties was one of the top two or three speeches made in this house in the last 10 or 15 years! Senators of this calibre would not just disappear from the political arena. Their minds would be available to help the people of the country through this institution.

It is for these reasons that I suggest this two-tiered system for your consideration as you look into this problem. Moreover, there are many other advantages that such a system would bring, such as a turnover of new faces and new minds in this institution, which I think all of us would agree is probably not a bad idea. There would then be room, because of the turnover, to solve the problem of minority groups which we were discussing earlier. There would be room to solve the problem of appointments from the various political parties to bring about the balance which Senator Croll was referring to, and, most important of all, we would not lose the wisdom that comes with age.

When I think of senators such as Lazarus Phillips having to leave here because they have reached the retirement age—an age at which, by some statutory rule, the intellect is presupposed to have collapsed—I find it ridiculous.

For these reasons I put this proposal before you.

Honourable senators, I thank you for your attention. I cannot leave without saying a few words about my friends in this chamber. I begin by saluting Senator Jacques Flynn, whose unfailing good humour and booming laugh warm this chamber like a fireplace.

Hon. Senators: Hear, hear.

Hon. Mr. Nichol: May I also read to you what I wrote to my leader, Senator Martin, in my letter explaining my retirement to him:

> As you will understand this has not been an easy personal decision, particularly because of the value which I place on the friendly and interesting personal relationships which I have enjoyed with my colleagues in the Senate.
>
> And to yourself, who has worked so hard for the institution, for the people of Canada through so many governments, and for the cause of liberal and humanitarian thought in our country, I want to express my pride at having been privileged to work with you over the years. I can assure you that this will not change, even though I will no longer be sitting with you in the chamber.

May I also read to you my letter to Madam Speaker.

> I want to express my warmest respect for yourself as a person, as a politician (I use that as a compliment), and as a force for common sense and humanity both within the chamber and without. Every one of us is privileged to have worked with you. I mean that most sincerely. There are many miles yet to go, and I know our paths will cross.

Hon. Senators: Hear, hear.

• (1430)

Hon. Mr. Nichol: At this point I would like to pay my sincere respects to the many senators whom I admire and respect on all sides of this house. But if I should start that we will be here all night, so I shall simply pass, and give you all my very best wishes.

I want to thank all the people working on the staff of the Senate, no matter what their capacity. This applies to the people who work here in the chamber and to the people who work outside it. I do not want to leave anyone out. They bring a kindness, courtesy and efficiency to their work here with us which is rare indeed.

I think that is about it, honourable senators. I hope you feel that I have been constructive here today. I have been asked to say something about the Senate after I leave here by various people in the press, and I do not intend at that time to say anything very different from what I have said here. I hope you will think it constructive.

I thank you for your attention, and for your friendliness and companionship over the years. Thank you all; thank you Madam Speaker.

Hon. Senators: Hear, hear.

Hon. Paul Martin: Honourable senators, I do not rise to discuss the question that has been discussed by Senator Nichol in substance. There will be an opportunity for that in the debate which will take place shortly. I would point out that Senator Nichol rose on a question of privilege to explain not only his views about changes that he feels might be made in the Senate and to put forward some very interesting suggestions which we will consider in our common discussions, but as well to explain the general circumstances and reasons which prompted him to take a decision which I am sure all of us regret very much but which he felt he had to take.

It is clear that Senator Nichol is one of our most popular senators. His engaging personality, his good sense of humour and his intelligence have been qualities that we have all appreciated in this chamber, and that those of us who knew him before he became a member recognized as among his outstanding characteristics.

I know that Senator Nichol has given great consideration to this decision, a decision which is unique. It is unique because of the unique circumstances in Senator Nichol's own active life. A busy man on the Pacific Coast, now engaged in promoting the work of the Pearson College, a college named after one of Senator Nichol's close friends, the former Prime Minister, the Right Honourable L. B. Pearson. This is one factor, but not the only one by any means which caused him to give consideration to the decision which he has formally indicated to us today. There are other options that I know he has in mind, and these are for him, at the right time and in the proper circumstances, to delineate. But I am sure of one thing, honourable senators, and that is that John Nichol will continue to serve Canada and the political principles in which he believes, notwithstanding his departure from our midst.

I want to say to him that I greatly appreciate the valuable friendship I have had with him over a long time. I am sure I express the feelings not only of those of us who sit on Madam Speaker's right, but of all members in this chamber in saying how deeply we regret his departure while completely understanding the reasons for his decision. Let me assure him that we will address ourselves constructively to the task of this House of Parliament, not only in our work generally, but in the discussion that is taking place on the question of proposals for improving our productivity and our effectiveness. Already Senator Nichol has almost done the impossible. He has brought the news media to us today in a way that no one else, in my memory, has succeeded in doing. I hope that for these friends of ours he has succeeded in having established for them a more permanent program of visiting the Senate than has heretofore existed.

Hon. Senators: Hear, hear.

Hon. Jacques Flynn: Honourable senators, I am very sorry to see our friend John Nichol leave us, and I am unable to express myself as freely as I would like, or as freely as I do on occasion. I do not suggest that I am always fluent, but occasionally I am. However, I doubt that I can be today.

I want to tell our good friend that his parting speech has proven that perhaps he should not have made this decision. His speech shows that he understands the Senate. He understands not only what the Senate does but what the Senate is unable to do. He has spoken of Senate reform, but I am not going to deal with that because the matter is under debate at the present time. I hope that very soon in this debate we will hear from the government leader. His speech might give us some idea of the thinking of the present administration on the subject. I have some ideas on the subject myself, but I would prefer to express those feelings only after the Leader of the Government has spoken.

As I mention the Leader of the Government, I am reminded of what Senator Nichol just said about his rejection of Senator Croll's suggestion that the Leader of the Government be appointed by the Senate. I think we must make some kind of distinction here. I am in favour of the Senate leader being appointed by a majority of senators supporting the government, or by all senators. But the task of the Senate leader, I think, is entirely different from that of government leader. There has been a misunderstanding on many occasions, and my opinion, which I have expressed on previous occasions, is that very often there is a conflict of interest between the concept of government leader and Senate leader. I mention this only in passing.

I wish to say to our colleague Senator Nichol that his speech today has proven he belongs here, that he has done and could continue to do very significant and worthwhile work in this place. If he feels he has made the right decision and is convinced that he can serve better elsewhere, then that "better" will have to be very good indeed if it is to surpass what he has done in the Senate.

It is with a certain degree of envy that I see him make this decision, for on occasion I, too, have been frustrated. It is not an easy task to be Leader of the Opposition in a Senate such as this, composed of far too many Grits and far too few Tories. I have often wondered myself whether I couldn't serve better elsewhere. I haven't been able to convince myself, however, that I could. So I am still here. But I found myself, I must confess, envying Senator Nichol a few moments ago.

• (1440)

Hon. Mr. Argue: It would need ten to take your place.

Hon. Mr. Flynn: Oh, no, I doubt that very much. I am grateful to John Nichol for having mentioned my booming laugh. This is the only way I can get rid of my frustration occasionally. I wish to say that I am convinced that it takes a lot of courage to make the decision that he has made. I must say, however, that it is not ridiculous to resign from the Senate. I do not think that it should be considered as something that should never happen. This is not necessarily a permanent occupation, as it used to be considered years ago. It should not be uncommon for men to serve here for a short time. Our debate on the reform of the Senate may throw some light on this consideration. The Senate should not be looked upon as the final stage in one's public career. Therefore, I agree with the perspective that our colleague Senator Nichol has given us today. I wish him well on behalf of senators on this side. I thank him for his contribution; it has always been very useful, very humane, very non-partisan and we will miss him. I am sure he will miss us and if we achieve one part of the recommendations he has made for the reform of the Senate he may occasionally return and permit us to benefit from his wisdom.

Hon. Daniel A. Lang: Honourable senators, my mind boggles at the possibilities of paying the conventional Senate tribute to my old friend Senator Nichol. This opportunity has completely overcome all other considerations in my mind during the last few minutes. I was thinking of the things I could say about him. I could say he was a man who served his party well and faithfully over the years, that he has served his own business community well, that he has served his province, indeed, he has served his country well, both in war and in peace. I am putting all these in the past tense, in the conventional form of our Senate tribute, but as I do my mind is preoccupied with that story of the woman commenting on her husband's retirement who said, "Well, I married him for better or for worse, but not for lunch." So, honourable senators on my own behalf and probably on yours I wish to offer to John Nichol's dear and lovely wife and to his children at home my deepest sympathy.

Hon. Mr. Nichol: Madam Speaker, I know that my wife will appreciate those kind words of Senator Lang.

Hon. Donald Cameron: Honourable senators, I trespass on your generosity for a moment to comment on the main reason for Senator Nichol's leaving the Senate, which is to assume the responsibilities of chairman of the board of governors of Pearson College. It was my privilege from early 1962 to May 13, 1971, to be Chairman of the Canadian National Committee for the United World College of the Pacific which, fortunately, has now become the Pearson College of the Pacific.

I should go back for a moment to how the idea started. In 1962 a very distinguished British soldier came to my office. He had been sent to me to see if they could do

something about starting a college in Canada. Previously he was head of the NATO Staff College in Paris and in that capacity had the responsibility of bringing together air marshals, generals and admirals from all NATO countries. In the course of their training program they were joined by distinguished educators from all over the world. One night they were visited by Kurt Hahn, the man who founded Dahlem in Germany and Gordonstoun in the British Isles. After he had spoken to this group of admirals, generals, air marshals and so on, they retired to the officers' mess. In the frankness of the informal atmosphere there, Kurt Hahn said: "Look, you can never do the job that you are trying to do in integrating the thinking and understanding of this multinational organization with men of 35, 45 and 50 years of age. If you start when they are 16 or 17 years of age and their minds are formative and they make friendships easily you can achieve this feeling of friendship and international understanding." Air Marshal Sir Laurence Darvall and his second-in-command, Admiral Hoare, were so impressed by this idea that when they retired in the following year they decided to use their retirement to raise funds to establish an international college dedicated to peace and international understanding. They panhandled for money and, fortunately, received a gift of $1 million from a French industrialist, Anton Besse. They were able to buy St. Donat's castle in Wales, built by William Randolph Hearst for Marion Davies. It was a cold and drafty place and she did not like it in spite of the money he had spent on it, so she did not stay and it was for sale. In any case, they instituted a program of bringing students into the college from NATO countries, mainly on scholarships. Sixty per cent are on scholarships, so that no man is prevented from being there because he has not the money. To make a long story short, today there are 300 students at St. Donat's College from 40 countries, over 60 per cent on scholarships. But today there is a college in Singapore, the United World College of South-East Asia, one being established in Germany and another on the drawing boards for Italy. There is another in the United States, in Vermont, and one of the best will be the Pearson College of the Pacific, on Vancouver Island.

During the years between 1962 and 1971 we had practically no money. Those of us who worked on this had to do it at our own expense, but we knew that to raise the money for a new college, between $5 and $6 million, would require more time than any of us associated with it then could afford to give. We also came to the conclusion that if this were to be effective the head of that college must be in Vancouver.

Mr. Pearson had been Honorary Chairman of the National Committee, following the Honourable Vincent Massey, and took a tremendous interest in it. The decision of the Pearson family to make this the memorial to Lester Pearson was one of the most imaginative steps that could have been taken, not only imaginative in the sense of recognizing the lifelong interest and dedication to peace and understanding of Mr. Pearson, but also giving a badly needed fillip to this program. The result is that the financial campaign which is being conducted at the present time is the only educational fund-raising campaign with which I have been associated that is running ahead of schedule. Obviously, if it is to succeed, it needs someone who can devote full time to it, and I am delighted that our friend and colleague John Nichol has taken on this responsible task.

[Hon. Mr. Cameron.]

• (1450)

On behalf of all those who have been associated with this project since 1962, may I say that we are delighted that he has taken on this responsibility. We wish him well because it is a great idea, and there is nothing more important today than an idea which is right for the times. The time has come for the Lester B. Pearson College, and I hope that every honourable senator who has the opportunity will put in a word in favour of this very important contribution towards international understanding. Good luck, John.

Hon. Paul C. Lafond: Honourable senators, I entered the Senate chamber a little late this afternoon, while Senator Flynn was addressing the chamber, and it took me a few moments to determine precisely which order of the day was being discussed.

As honourable senators well know, Senator Nichol and I have been closely associated for a number of years. I am grateful to the last two speakers for giving me time to send Senator Nichol a note in which I said:

> Dear John,
>
> Apparently I missed your swan song. Had I guessed that today was the day, I would not have missed it for anything. I would have been one of the first to say that I regret your decision, but I respect your decision.
>
> As I had the opportunity to write to you about five years ago, after travelling a stretch of road together, we had kind of grown up together; and I can but repeat that sentiment with still more emphasis.

Best wishes, and let us continue our true and loyal friendship.

Hon. Arthur Laing: Honourable senators, because I too am a British Columbian I should like to associate myself with the words of appreciation that have been expressed to the Honourable John Nichol for his service not only here but in other parts of Canada.

John Nichol is a kind, generous and perceptive man, and people with such qualities are altogether too rare in the world today. His departure will be a major loss to this institution and, I think, to the process of government in Canada.

I have not seen John since he was kind enough to write me a note telling me of his decision. When he reached his desk today, I swung around and said, "What the devil did you do that for?"

I do not know why he did it. I regret that he did it. There is a penalty imposed against those of us who come from the West Coast—and probably it applies also to those who come from the East Coast.

We come from an area which has four seasons instead of the three that one finds here—or two in some places in Canada. Things in British Columbia are more simple than they are here. Even after nine months of an avowed socialist government, things are not yet too complicated for us.

We are extremely optimistic about the future of everyone who lives in that part of Canada, because we live on the Pacific Ocean and we are determined that the Pacific Ocean will become the ocean of the future.

Our colleague wishes to make a contribution to this country, and he no doubt feels that he can do it more effectively in another sphere than by staying here. He is going to make a tremendous effort toward establishing the quality of education to which Senator Cameron referred. If that is done, and if his dreams are realized, I am quite certain that he will live a very happy life and will feel that his term is full of accomplishment.

I do not know how successful he was today in building a case for reprieve for us in this place, but that is a matter which can be discussed further when other honourable senators participate in the debate on the reform of the Senate.

John Nichol is a man who wants to do things, and Westerners today, as a group, want to get things done. When we come down to Central Canada we find that it is very difficult to get anything done. It is much easier in Western Canada.

When I first came here, it took four days and three nights on the train. "Bring your family down; move down," they said. Then C. D. Howe brought in that wonderful airplane with the wide wings, the *North Star*, in which it took us 14 hours to get home. A senator has just suggested that the *North Star* was not a plane without vibration. Often one would be deaf and half-blind for at least four or five hours after getting off the plane, and sometimes the condition would last for a full day.

There are so many things that can be done more simply in Western Canada, and I can understand Senator Nichol's wish, hope and confidence that he will go home and accomplish solidly and quickly those things that he wishes to do, whereas here, and particulariy in this institution, it would take him a long time to accomplish much.

That is a challenge to us. I think he has thrown out a challenge without telling us all about it. We thank him for his service here. We thank him for his contribution to Canada, and we wish him the very best in the task of establishing an institution that will be of great benefit not only to Canadians but, indeed, to people from other countries.

Hon. Guy Williams: Honourable senators, I too as a British Columbian would like to voice my regret at the decision which my colleague Senator John Nichol has taken.

Senator Nichol has contributed a great deal to the Canadian way of life. In my lifetime there have been only a limited number of personal involvements which stand out in my memory and in the memory of my immediate family. One such occasion was when my leader and Senator John Nichol brought me through the door of this chamber to the Throne, to be sworn in as a senator. That was one of the high moments of my life, and one that I shall always remember and for which I shall always feel grateful to Senator John Nichol.

As a British Columbian, I know that Senator Nichol will contribute a great deal more to the Canadian way of life and to the Western World, and that the results of his endeavours will extend beyond the Pacific Rim countries.

Hon. Mr. Nichol: Honourable senators, I thank you all very much for your kind words. I most sincerely thank you.

• (1500)

OFFICIAL LANGUAGES

ALLEGED STATEMENT BY COMMISSIONER—QUESTION

Hon. Hartland de M. Molson: Honourable senators, I should like to direct a question to the Leader of the Government. I am not really sure whether this should be a question or a question of privilege. I have come across certain reports in the newspapers of extracts from a speech made in Washington by the Official Languages Commissioner, Keith Spicer, in the course of which, to an American audience, he referred to the English-speaking minority in Quebec as "Westmount Rhodesians."

I am not saying that this is a fact. I did not hear it. I read it. It is reported in two different journals.

My question, which I should get to and not preface in such lengthy fashion, is with respect to whether or not the government has taken any steps to investigate the facts in this case? Is there any truth to these allegations? Was that term, in fact, used by a man who might be considered as representing Canada when he is outside this country and, if so, is there any proposed action?

Hon. Mr. Martin: I am not aware that there is any proposed action. I did see some comment by Mr. Spicer himself subsequent to the report of the alleged observation. I should like to examine that before extending my reply. In any event, I can say that it did not seem to me to be the wisest type of statement to make in the circumstances.

Hon. Mr. Molson: Perhaps the Leader of the Government could go a little further and indicate whether there has been any investigation to determine whether this report is factual or otherwise.

Hon. Mr. Martin: I said that I thought Mr. Spicer had admitted it. I am not aware of there being any intention to take any further action. Sometimes an indiscretion speaks for itself.

Hon. Mr. Molson: Sometimes.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Senator Laing for the second reading of Bill S-4, to amend the National Parks Act.

Hon. Margaret Norrie: Honourable senators, I cannot let this opportunity pass without commenting on our National Parks Act and the amendments suggested thereto.

A new national park is proposed for the eastern shore of Nova Scotia, of which I have spoken previously in this chamber, namely, the Ship Harbour National Park.

I am concerned about the amendment in clause 2, which reads:

> The said Act is further amended by adding thereto, immediately after section 3 thereof, the following section:
>
> 3.1 The Governor in Council may, by proclamation, amend the schedule by adding to any park described therein lands described in the proclamation where the Governor in Council is satisfied that
>
> (a) clear title to the lands described in the proclamation is vested in Her Majesty in right of Canada; and
>
> (b) agreement has been reached with the province in which the lands are situated that the lands are suitable for addition to a National Park.

In ordinary language, it means that the purpose of this amendment is to authorize the Governor in Council, with the agreement of the appropriate provinces, to add crown-owned land to existing national parks.

In September 1972, Ron Malis, a government official, said in answer to a question regarding expansion of parks at a later date, "rarely did this happen."

Mike Forrestal, Conservative member from the Ship Harbour area of Nova Scotia, asked the same question and he received an answer something like this: So many parks were enlarged that they were difficult to keep track of.

It seems that people will have little to say if additional areas are required for a national park. I am against this amendment. The Association for the Preservation of the Eastern Shore is very much in favour of parks, but not a national park as it is presently proposed. The number of homes and cottages which will have to be expropriated is questionable. No definite public statement as to what is planned has been made by either the provinical or federal authorities. The boundaries have not as yet been decided upon, as far as we know. Clippings from newspapers are contradictory, resulting in a state of unrest and fear.

On April 10, 1973, an article in the Halifax *Chronicle Herald* reported on a national park in Gros Morne, Newfoundland, and on what is happening to the people in that area. The article is headed, "Residents will stay in new Newfoundland park" and it reads as follows:

> Residents of communities lying within the proposed boundaries of Gros Morne National Park in Newfoundland will be allowed to remain there as long as they wish and will be under no compulsion to move.
>
> In a letter to Newfoundland Forestry Minister E. Maynard, Northern Affairs Minister Jean Chrétien set out the federal-provincial arrangement for the new park along the west coast of Newfoundland.

The names of the communities affected will probably not mean much to those who are not familiar with them, but I will read them:

> The communities are Sally's Cove, Green Point, Bakers Brook, Lobster Cove, Woody Cove, Belldown's Point, Broom Point, Western Brook and Martin Point.
>
> Residents of the communities will be offered a house and land outside the park if they wish a trade. Or they may sell to the province for cash if they wish. They will not be permitted, however, to sell to private buyers.

[Hon. Mrs. Norrie.]

> As long as the communities exist, the province has agreed to provide them with normal municipal services.
>
> Residents who supported themselves by using resources such as fishing, pasture land and fuel wood within the park will continue to have this right.
>
> This includes the traditional offshore fishing industry.

Honourable senators, Ship Harbour people will not accept this treatment. The people of Newfoundland at Gros Morne should not have accepted it, in my humble opinion. The people of Ship Harbour want to be allowed to live in their own homes on their own land; they want to be free to leave their property to their sons or daughters, if they so wish.

If they wish to sell their property, the provincial government will be given the first chance to purchase it. About half the citizens in this area have inherited their homes and property from their ancestors as far back as 200 years, and they should not be denied the right and dignity of this same freedom, unless for a very important national issue, which this national park is not.

• (1510)

I claim that the National Parks Act—or is it the officials administering the act?—is not flexible. Each park in Canada is unique, and therefore should be handled according to those distinct qualities it possesses. Senator Laing gave a very scholarly discourse yesterday on national parks, but in it he failed to dwell on the heartbreak and agony caused by the expropriation of precious homes, and the wrench of leaving a cherished way of life. People in high places sometimes say that we must exclude emotions when discussing an issue, that emotions have no bearing on the actual health of our homeland. Just name me one subject where we can separate emotion from applied scientific data and find a healthy, happy countryside for a nucleus of people. Sooner or later we break.

Each year on the Eastern Shore approximately 475 licences are sold to lobster fishermen, about half of whom earn enough money to keep themselves the whole year through. Where are these fishermen going to find employment or be retrained for other jobs? We do not have to do this to these citizens of Ship Harbour.

In the booklet *Byways and Special Places*, published by the Honourable Jean Chrétien, in October, 1972, he writes:

> We see developing on the map of Canada new perspectives of our natural and human heritages, of areas beyond today's horizons to yesterday's frontiers, along the routes of history and to those special places which are so much a part of our inheritance.

This part of our inheritance must mean our homes.

> We feel that this program captures the mood of the Canadian people today. Canadians no longer have a single-minded concern with economic development. They are concerned with the quality of life, with those intangibles which are not measured in purely economic terms. They have a heritage which they seek to preserve, to understand and to experience. This program would help to satisfy this need.

> The paths and experiences of the native peoples, the voyageurs and the early settlers can still be traced in Canada—along our byways and in our special places.

We cannot afford to allow our governments to move the people of Ship Harbour away and relocate them. They are part of our early settlers' history of the province, and we must keep them. They are our human heritage that we care so much about and about which the Honourable Jean Chrétien is talking. Give these people help to maintain their beautiful shore, uncluttered and free, for the public to enjoy.

In Britain they have strict environmental control over their national parks, which are built around the people. They move no people at all. It is a very happy solution, with a flexible approach. The same thing can happen in Canada.

Honourable senators, I hope that this bill will be discussed in committee later on.

Hon. Sidney L. Buckwold: Honourable senators, I do not want to discuss the subject raised by Senator Norrie concerning the problems that will be created in her area. Speaking as a representative from Saskatchewan, I feel that this is an opportunity, not so much to discuss the bill as to draw to the attention of honourable senators, the department, and the people of Canada the unhappiness that has been created in one of the national parks, namely, Prince Albert National Park, as a result of a long-term plan which in the considered opinion of most people is really not in the best interests of those who are visitors to the park.

This beautiful national park, which I know the former minister, Senator Laing, has more than likely visited, is one of the most glorious and pleasant of the many wonderful parks we have. What has made it so outstanding is the fact that it has been a park for people. It has had an exceptional development, I think unique in Canada, in that accommodation known as shack tents—which perhaps does not describe them—became very popular, and in fact resulted in their being the working man's, the common man's, summer home. It was a portable building with a canvas roof, nicely constructed, well maintained, which was taken down each winter and put up again in the summer. There were literally hundreds of these in this beautiful park, which covers an area of 1,500 square miles, located on Lake Waskesiu.

The planners got into the act and said, "This is impossible. This really is not too good for the environment. They have to go"—in spite of all the protests of the people who enjoyed them. Although I personally have not lived in one, my family has had a summer home at Waskesiu for many years. It was a very sad thing indeed to deprive people, generally in the lower or medium income brackets, the opportunity to have a little place they called their own in a beautiful park. It added to the enjoyment of literally thousands of visitors.

The planners went further. The next degree of housing, called portable cabins, are now in the process of being eliminated. They have decided to eliminate most of the so-called amenities that we get in the park on the basis that they would like to see this area as a wilderness so that people can enjoy this lovely environment. We cannot object to that, except for the fact that we have about 100,000 square miles of undeveloped and similar environment adjacent to it. If planning is for people, then I say to those who have done this, that they really have not considered the interests of those who have been affected by long-term projects that have now been adopted as policy by the department. I could discuss any number of individual plans that affect the enjoyment of people.

There are all kinds of philosophies about parks. Certainly we would not want to see Waskesiu developed into another Banff, but there are people who want to go on summer vacations with their family, and not be campers. There are some who would like to have a cottage to stay in, or a good motel. Not everybody wants to live in a trailer, but this is how the planners seem to think the future will be in the national parks areas. I could well understand this if we were in the Diamond Horseshoe area of Ontario, with hundreds of thousands, or even millions, of people visiting. But we are in the far northern part of Saskatchewan, surrounded by wilderness, and likely to have that kind of wilderness for many generations to come.

I suggest to those who make these plans that we are very proud indeed of what we have in our national parks, but sometimes the wisdom of the planners and the kind of ideas they want to project, without really considering how they affect individuals, are not necessarily for the good of those who want to enjoy these parks. In spite of Senator Nichol's denigrating of the regional interest responsibility of senators, I happen to be one who thinks we have an important role to play in the Government of Canada, representing our areas, on relatively minor things in the overall picture—such as the one I have referred to—which can be drawn to the attention of those who are involved.

• (1520)

I believe this is part of our really serious responsibility, and I hope that no senators will accuse me if I bring this serious local problem to the attention of the Senate and, as I say, to the attention of those who make the plans.

Honourable senators, I can only conclude by saying there have been public hearings, the authorities have gone through all the motions, but in fact the protests of the people have been substantially ignored. We are worried that the golf course may be downgraded. Already the little dance hall has disappeared, together with the kinds of things that bring pleasure to the youngsters who are there, and who want to use the park. I hope someone may read this; and I hope it is not too late for any major change in policy. I trust these mistakes will not be made in other parks, and I hope even more that we can look forward to Waskesiu continuing to be a people's park.

On motion of Senator Welch, debate adjourned.

TRANSPORTATION

FREIGHT RATES AND NEW TECHNOLOGY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Cameron, calling the attention of the Senate to the need to re-examine the structure of freight rates in Canada and the importance of new technology to the economics of transportation.

Hon. A. E. Haddon Heath: Honourable senators, I am very grateful to Senator Cameron for initiating this debate on freight rates. All good Westerners talk about freight rates. We talk about them interminably, and we are continuing to talk about it even today. I am grateful to him also because there is a need to look into the new technology, and see what we are doing about it.

Honourable senators, it makes me very sad indeed that we have started off this afternoon with the resignation of the senior senator from British Columbia. Sadness is the only word that describes the way I feel. Judging from the comments of those who spoke before me this is a feeling we all share, regardless of whether we come from British Columbia or some other part of Canada. So, John, good luck.

Honourable senators, it sounds dull to look into the question of freight rates, but it is a most fascinating mess of committees, regulations and boards. I have never seen such a tangle—it is like a cat's cradle. Senator Nichol spoke earlier of Senate committees dealing with special subjects. I could not help thinking that it might be a constructive step if our Committee on Transport and Communications could look into this question. It might be able to advise the Senate on whether the present freight structure is simple and straightforward and suitable for finding plain, simple answers to transportation problems, or whether it has become some overgrown, barnacle-covered process that we have gone through where something has just grown like Topsy and does not really perform its function. This is a question which is well worth examination by a body like ours. Although we are not directly in the business of transportation, we must answer to the taxpayers and the people of the country, who need means of transportation of their goods and themselves.

Having come across such a wealth of material on the transportation picture, I feel like the youngster in school who was asked to review a book about the elephant, and who said, "This book is very good but it tells me more than I want to know about the elephant." This is another reason why a committee should sift this matter, to find out what is practical and see how we can improve the situation.

The funny thing is that Canada's economy is a resource-based economy, and transportation is the key to those resources. Yet we have most peculiar situations existing today. There is a world shortage of beef, but there are two million acres of undeveloped excellent farming land in the Peace River district of British Columbia and Northern Alberta, and one million acres of undeveloped land north of Prince George to Vanderhoof and the Skeena River. However, the cost of getting the feed to the beef, or the beef to the feed, so that they can be fattened up for marketing, is prohibitive—and this is not over vast distances as far as miles go.

Another example is that of the coal mining in British Columbia. It costs as much to send coal from the mine site to the shipping point, as it does to send it from the water site along the coast of British Columbia and around through the Panama Canal to the eastern United States or to Europe. In that case, this matter is surely worth examination.

[Hon. Mr. Buckwold.]

Another tremendous anomaly, although it does not relate to the cost of transportation, is that we export all the coal we produce in Canada, and we import all the coal we use. Does that not sound strange; and if transportation is part of this problem, let us find out why?

I suppose we could carry out examinations like that. To send iron by rail to the Lakehead and then ship it by water to the steel factories in Hamilton and that area, costs more than the water shipping and land shipping out of British Columbia through the Panama Canal to the industrial markets in Eastern Canada.

Another rather "Alice in Wonderland" thing that comes to mind with regard to transportation is that we have always had this. When Donald Smith finally drove the last spike of the CPR at Craigellachie a most amusing cartoon appeared in Vancouver showing him saying: "That is one rail laid down, now back again to Montreal and we will start the next one."

We have done some remarkable things. We have overcome problems that were considered insoluble. We have tied the country together by means of transportation. It is rather like the bumble bee, of which the aeronautical engineer, after studying it carefully, said, "The bumble bee cannot fly."

We have been able to design aircraft and trains, and even invent some valuable aids to transportation. Yesterday morning I flew from Vancouver Island to the Fraser River near the international airport in a Beaver, a little single-engined float plane. That airplane was invented, designed and built in Canada by de Havilland right after the war. I believe that the single-engined Beaver is in use in 63 countries around the world, and is a most reliable aircraft. I was very grateful that it was reliable yesterday. We seem to have been able to produce the designers, the engineers and the people to build such airplanes.

• (1530)

The Norseman, I understand, was designed and built by Bob Noorduyn in Montreal in the thirties. The Norseman is still used in the bush country and northern Canada, and is still considered to be a reliable plane by the people who use it in that area. I am sure there are many more such examples that I could give.

We have come a long way in a short time in the field of transportation. I think it would be very much worth our while to see where our publicly-funded research and development is taking us. I know that at the present time, for instance, there is an interesting development enabling a National Research Council or university invention not only to be patented but to be marketed, which is something that Canadian Patents and Development Limited are doing. I had not known about this until just recently.

We now have a crash position indicator, which was invented by Harry Stevinson of National Research Council Group Systems, and we have a position homing indicator which was jointly developed by the Department of National Defence and Computing Devices of Canada. Both of these dramatic aids to aircraft safety are already being manufactured and sold in Canada and distributed all over the world.

How much more of this sort of thing are we doing? How much of our public funds is going toward new and practi-

cal developments? These are questions we need to answer.

Just as I was coming into the Senate this afternoon Senator Choquette very kindly pointed out an article in this morning's *Globe and Mail* having to do with our transportation problems. I was very interested, because I had not seen the article and it is well worth reading. I notice that last night's *La Presse* had a front page story with an inside feature on the problems confronting Yves Pratte of Air Canada and John Gilmer of CP Air.

So there are emerging questions that need to be answered, and I cannot think of a better qualified body than the Senate to sift through them, produce the answers, and get on with the business of solving the problems of transportation.

At the moment we have two very fine transportation systems working in Canada, the publicly-owned railways and air lines and the privately-owned railways and air lines. I have to admit that at the moment I am slightly annoyed with the privately-owned railway which I feel leaves much to be desired, but I believe the Canadian National is doing a magnificent job. I am also very much in favour of CP Air which is also doing a marvellous job in my opinion. CP Air has come a long way in terms of service and personal attention. As Grant MacConachie put it, what CP Air is selling is "in-flight service" and great pilots like Holland, Gale, Hanson, and others.

Our nationally-owned Canadian hotels are also part of our transportation system, and we have to make our travellers comfortable when we put them up. We must be hospitable to them. I do not think you could find a better hotel anywhere than Hotel Vancouver, which is a Canadian National hotel. The personnel there are the best—Victor Burt, the manager, Arthur Cameron, resident manager, John McGill, assistant manager, and so on.

It is people who make the difference in all these ventures, and you can see that typified by men like Van Horne, Henry Thornton, Donald Gordon, and Grant MacConachie.

It is up to us now to see if we can get our existing transportation to run along in a progressive and directed way without stumbling over too much red tape, regulations, and so on. Let us see what we are doing for the future development of transportation. We know we have the inventiveness and the initiative, so let us find out how to help and encourage it.

On motion of Senator Langlois, for Senator McIlraith, debate adjourned.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.

Hon. Ernest C. Manning: Honourable senators, when I adjourned the debate on this inquiry last evening I, of course, had no knowledge of the comments that would be made this afternoon by Senator Nichol. I would simply like to preface my own remarks by saying, first of all, that I am very sorry to see him leave this chamber. I should like to say further that I listened, as I know others listened, with very deep interest to the comments he made that bear on this subject of Senate reform. Much of what he said underscores some of the points that I should like to present to you now. On a number of points our views are perhaps considerably different, but I will present my remarks as I intended to before Senator Nichol spoke and leave to your judgment the task of assessing the relative merits of the different points of view.

I confess, as a newcomer to this chamber, that I rise with some trepidation to speak to this inquiry calling attention to the need for meaningful Senate reform. For over 100 years, with little significant change, this house has performed the functions assigned to it when the parliamentary system of this country was established at the time of Confederation. During those years many great Canadians have occupied seats in this chamber—men and women who have left their indelible mark on the pages of Canadian history. From time to time, as circumstances changed, the need for updating the role of the Senate has come under consideration. Occasionally in the other place similar debates have taken place. The media from time to time have condescended to discuss the role of the Senate, and have advocated changes ranging from minor alterations in its responsibilities and procedures to its outright abolition. Senate reform has been the subject of discussion at constitutional conferences and by various parliamentary committees.

The fact is that while proposals for Senate reform have been many, few if any meaningful fundamental changes have been made in its responsibilities or its role in our parliamentary system. I hope it will not be considered presumptuous of me to say that my experience here has already been sufficient to convince me that a fundamental change in the structure and role of the Senate is overdue, and should not be longer delayed.

I say this not because the Senate's survival depends on meaningful reform but because such reform is necessary to attune this house to modern thinking and the needs of our times, and to enable it to render a much more valuable service to the Canadian people than its present role permits. I therefore ask your indulgence while I outline the reasons for this conviction, and the nature of the reforms necessary to permit the resources of the Senate and the expertise of its members to be utilized to a greater degree and for more useful purposes than is currently possible.

May I start by commenting on certain conclusions which I believe are shared by most honourable members of this house. The fact that the Senate is treated with indifference by the public, generally, and not regarded as being of any real value or importance to the parliamentary process is not due to the absence of desire or expertise on the part of senators. I have been impressed by the great reservoir of experience and expertise which this chamber represents. There are men and women here of proven ability, who have acquired invaluable experience in the business and professional world and in public affairs, both domestic and international. The fact that so many members of this house are sought out by the private sector to assume responsible roles in educational and

professional organizations and in corporate management is evidence of their capabilities, and of the value placed on their experience.

• (1540)

Furthermore, in my association with members of this house I have found them, without exception, to be dedicated Canadians, and many of them are active and vigorous men and women who sincerely desire to make a constructive contribution to the solution of the serious problems confronting Canada today.

Why then is the general public attitude to the Senate one of almost total indifference except on the part of those who are openly critical or even hostile? Perhaps we can best find the answer to this question by analyzing the prevailing attitude of the people's representatives in the other place.

In the brief time I have been here it has become apparent to me that while the government and the House of Commons pay lip service to the Senate's constitutional responsibilities, in actual practice the Senate's role is generally ignored and frequently resented. There is plenty of evidence to support this conclusion. Repeatedly, important legislation is sent to this chamber only a few days, or even hours, before it is required to become law. We all know that timetables for the enactment of legislation are not easily adhered to, but if in the House of Commons the government and the opposition parties truly believed that the serious second thought the Senate is constitutionally responsible to give to legislation before it becomes law is really important, and if they believed that the public felt it was important, it goes without saying that all parties, and especially the government, would conscientiously see to it that adequate time was provided, except in cases of emergency when a prior arrangement with the Senate could easily be made.

Consider also the situation where the Senate does make changes in legislation that has been adopted by the other place. If the changes are minor they are usually accepted without much protest, but if the changes are major then objections are invariably voiced. If the Senate should wholly reject a major government bill, protest would be heard from one end of Canada to the other, and the cry to abolish the Senate would immediately be raised in both the House of Commons and the media. In short, the Commons gives no indication that it regards the Senate as vital and indispensable to the parliamentary process; rather it tolerates the present role of the Senate as long as it does not seriously challenge its judgment or significantly delay the enactment of its legislation.

It would be wrong to interpret this attitude as a criticism of the members of this chamber as individuals. What the members of the other place are doing is almost unconsciously reflecting the general attitude of the Canadian people, and the widespread public viewpoint resulting from the significant change in thinking that has taken place in this country, especially in recent years. With the passage of time there has developed in Canada a general consensus that one elected house is all that is really necessary to enact the laws of the country. It is not without significance that all of the provincial legislatures have moved to a single house form of parliamentary system. The newer provinces never instituted an appointed upper chamber. And I think we have to admit that the legislative record of those provinces has been equal to that of any two-chamber parliament. All of the older provinces which formerly had two houses have abolished the upper chamber, and the result has been eminently satisfactory to the people concerned. In the public mind there is a widespread belief that by the same token there is no real need for or value in an upper house federally.

In other words, a majority of Canadians no longer regard their appointed Senate as a necessary part of a modern parliamentary system. The more complex society becomes, the more governments become involved in the day-to-day social and economic aspects of national life, the greater the need and the greater the public pressures for government structures which permit rapidity of action and maximum flexibility in meeting rapidly changing situations. This is one of the reasons why the House of Commons today is in considerable disrepute with the public generally. The processes of law enactment are too slow to meet present day requirements, and the public is becoming increasingly impatient and critical.

In keeping with this general feeling, the public tends to look on the Senate as an outdated piece of parliamentary machinery that further slows down the process of legislative enactments. This is particularly true when many people have come to regard the Senate's legislative role as an unnecessary duplication of the work performed in the other place.

But there is another and even more important factor behind this attitude. Understandably there has always been controversy over the extent to which an appointed house should have power to significantly alter and even defeat legislation passed by the elected representatives of the people. This is a matter for valid concern. People today are more aware of their democratic rights than they were in times past. Modern communications keep them in closer touch with their elected representatives and the operation of their Parliament. They are far more vocal and actively involved in the management of their public affairs. Our modern form of enlightened democratic society is not amenable to an appointed house having the power to override the decisions of its elected representatives. Such power is regarded by many as comparable to the power of the Governor General in Council to veto enactments of provincial legislatures, which power, as you know, was rendered obsolete when public criticism of this provision became widespread.

• (1550)

As this change in public attitude evolved it progressively decreased not the constitutional power but the practical power of the Senate to override the decisions of the House of Commons. There are those who say the Senate should be more aggressive in amending or rejecting legislation. It is significant that they are always the ones who disagree with the particular legislation in question. When the case is legislation of which they approve, they are usually vehement in affirming that no appointed body has any right to interfere with legislation their elected representatives have passed.

The attitude of the House of Commons to the role of this chamber, I submit, is simply a reflection of the general public attitude as it has changed with the times.

These obvious facts lead me to the inescapable conclusion that it is unrealistic to think that minor internal reforms will gain for the Senate acceptance and acclaim on the part of the Canadian people and their elected representatives, as long as we insist on preserving our present outdated role. My submission is that the time has come for the Senate to assume a dynamic new role, fundamentally different from that which it has performed in the past. May I tell you what I believe that new role should be?

In the legislative field I would recommend no change as far as legislation originating in the Senate is concerned. In fact, this is an area in which the Senate could profitably be considerably more active than it is today because such legislation goes on to the House of Commons and the people's elected representatives have an opportunity to pass judgment on it.

It is in the matter of legislation originating in the other place that a major change should be made. For the reasons I have discussed, all Senate amendments to and vetos of legislation originating in the House of Commons should be discontinued, and the Senate should cease to be a chamber in which we repeat the legislative process that has already been carried out in the other place. This does not mean that Parliament and the public would lose the benefits of the serious second thought the Senate currently gives to legislation. After a bill receives first and second reading in the House of Commons, and before it goes to the appropriate Commons committee, it should be referred to this house sitting as a non-partisan committee of the whole for a full discussion of its provisions. Such discussion would largely replace the present formal sittings of the Senate and the academic debating of motions and inquiries which, while interesting and enlightening, seldom result in any concrete action or significantly alter the course of Canadian history.

Following a detailed and objective analysis of a bill by the Senate, it would be sent to the House of Commons committee with a written report setting out the Senate's recommendations with respect to the bill, and the reasons for those recommendations. The decision would then be up to the Commons committee and to the House of Commons itself when the committee reported.

After the House of Commons has given third reading to the bill, it should not come back to this house except for the formality of royal assent, until such time as a constitutional amendment can be obtained to permit even royal assent to be given in the other place.

I am confident, honourable senators, that even this one proposal, if implemented, would bring about a dramatic change in the attitude of both the House of Commons and the Canadian public to the Senate.

But a further major change in the responsibilities of the Senate should be made at the same time. A new role should be assigned to this chamber, and I suggest that that role should be for the Senate to become the major investigative body for the Canadian parliamentary system. When I say "the Canadian parliamentary system," I am including the governments and legislatures of the provinces as well as the government and Parliament of Canada. All of these governments represent, and act on behalf of, the Canadian people. They are all confronted with major public concerns involving matters which require study and investigation in depth before sound decisions can be made. Such investigations today are made by in-house expertise, royal commissions or government task forces, collectively involving vast expenditures of public funds. In the majority of cases, this kind of investigative work could be carried on by a number of strong Senate committees supported by a competent research staff.

In addition to those standing investigative committees, there are many studies required by provincial and federal governments which could well be assigned to teams of two, three or four senators selected for their particular knowledge and experience in the matters to be studied. In this way the experience and expertise of all members of this house could be utilized to their maximum potential. A strong in-house research and investigative staff could be assembled and developed to a high degree of efficiency. The Senate would then be rendering a service to both levels of government and to the Canadian people that would give it unprecedented status as a vital and invaluable part of a modern parliamentary system.

There could also be established a limited number of small, highly specialized committees. By way of illustration, a small committee could be established to examine present parliamentary and administrative procedures with a view to developing new and improved techniques. It is so easy for governments at all levels to get into ruts—a thing has always been done a certain way and that is the way it should be done. It would be a great service to Canada to have a small, continuing committee of highly qualified men doing nothing else but examining major governmental procedures and techniques for the purpose of recommending innovation and change.

Another special committee could well be employed to develop and refine new ideas. We all recognize that while there are many people who can do administrative work, and there are many people who can carry out instructions, there are not many people who have that peculiar ability necessary to develop new and innovative ideas. Such people are invaluable; and in a house of this size there must surely be some men and women who have the ability to develop new ideas. They could render an invaluable service to the Canadian parliamentary system and the Canadian people if they were charged with the responsibility of concentrating on the development of new concepts and new ideas.

• (1600)

We have entered a phase of human experience in which the exciting new horizons are no longer in the physical world. We have pretty well completed our exploration of our physical earth and have even charted and explored the moon. The exciting new horizons are in the field of new ideas and new concepts which contribute to human well-being and the quality of life. That is an exciting arena in which I would like to see a special committee of this house put to work.

The dynamic new role I propose would necessitate certain fundamental changes in the internal structure of the Senate, and in the criteria governing appointments to this chamber.

May I close by outlining briefly what those changes should include. In the first place, the Senate should be made an entirely non-partisan body. The concept of a Senate comprised of a government party and an official opposition should be abandoned. Men and women appointed to the Senate should for the duration of their term cease to represent any particular political party. A firm commitment to political neutrality should be a condition of their appointment. The Senate would then become in a true sense a non-partisan body of experienced men and women whose expertise would be available to the federal Parliament and the provincial legislatures for the important purposes I have enumerated.

I would further suggest that appointments to the Senate should be for a term of years, rather than until a mandatory retirement age. I would recommend a five-year or perhaps seven-year term, which should include an automatic nomination to serve a second term. The second term nomination, however, should require ratification by the senator's peers. If a senator did not pull his weight, his peers could, and no doubt would, deny him the opportunity to continue for a second term. Such an arrangement would ensure a constant input of new personnel with new, up-to-date ideas. There is merit in the proposal put forward by others that half of the senators from each province should be appointed from individuals nominated by the respective provincial governments. In keeping with the new role I propose, the criteria for selecting senators should give special weight to their qualifications to serve effectively on one or more of the major investigative committees of the house. Equal attention should be given to ensuring representation from all major branches of society, including the professions, agriculture, labour, business, the arts and sciences and the field of government.

I would not favour any significant increase in the size of the Senate. A hundred capable, conscientious men and women, with a minimum of 10 per cent being replaced annually, would provide a continuing reservoir of experience and expertise adequate to serve the needs of both the Parliament of Canada and the legislatures of the provinces.

I know that some will say that these proposals are too sweeping, and that even if they are desirable they cannot be realized because they require constitutional amendments presently impossible to obtain. With respect, I beg to differ. If our intention is to really come to grips with meaningful Senate reform, adequate to bring this house into step with the thinking and progress of our times, anything less will not suffice. I agree that constitutional amendments are not easily obtained, but would point out that the type of amendments required to implement these proposals would meet with widespread public favour. I believe they would commend themselves to Parliament and to all provincial governments. If that is the case, provided there is a will to proceed, such constitutional amendments may not be as difficult as they at first may seem. Furthermore, most of these proposed changes can be implemented without constitutional amendments if there is a genuine desire and willingness on the part of Parliament and the Senate itself to make them.

[Hon. Mr. Manning.]

Honourable senators, this question of meaningful Senate reform is one for which we have both a collective and an individual responsibility. Collectively we must decide whether we are giving the Canadian people adequate returns for the over $7 million a year it costs them to maintain the Senate in its present role. Can we give them full value as this house is presently constituted having regard to the outdated role we presently perform, which now has little relevancy to the new demands of our rapidly changing times? If our honest answer is no, we have an inescapable responsibility to make the changes that are necessary, or else to discontinue our present operation. By the same token, each of us has an individual responsibility. If those of us who believe fundamental reform is necessary are unsuccessful in persuading our peers that such is the case, or if our best efforts individually and collectively to secure such reforms fail, we must each decide for ourselves what we should do.

I sincerely hope that this matter will not be permitted to pass into the records as just one more academic discussion of this important subject. To permit that to happen at this point in time would be a mistake from which recovery may well be impossible. This is not a problem that we should pass to a panel of constitutional experts, or to anyone other than ourselves, for we as a house have the power and, therefore, the responsibility to ensure our future usefulness and value to the Canadian people, and to determine our own destiny. It is therefore we ourselves who should and must act.

Out west in Alberta we are proud of the rugged self-reliance of our farmers who overcame the obstacles of the pioneer years, and which still enables them to succeed in spite of drought, hail, frost, taxes, freight rates, boycotts and government bureaucracy. When they have a problem they use their own practical ingenuity to solve it. There is a story told of a community in which there was a serious shortage of milk. The dietitians and social workers warned that unless more milk was provided children would be undernourished and their health impaired. A public meeting was called to discuss the problem, and feelings ran high. The problem was obvious, but when it came to deciding what to do there were as many ideas as people. The meeting first passed a resolution saying that something must be done. Then someone proposed a petition be sent to the milk control board and the dairy association. Another wanted a delegation to wait on the Minister of Agriculture, and the more militant element suggested organizing a protest march on the legislature. Of course, almost everyone wanted to set up the inevitable committees to study the problem and report back to another meeting. Finally, a rugged old farmer asked if he might say a few words and when permission was granted he said: "Neighbours, I think you are going about this the wrong way. Your problem is a shortage of milk. You won't solve that problem by appointing committees, signing petitions or passing resolutions. If we need more milk, the thing to do is for us to take the bull by the horns and see that we get the extra milk we need." That old farmer's practical advice is applicable to us in the matter of Senate reform.

• (1610)

If we acknowledge the need for fundamental change, and if we really want to make the Senate relevant to the times and important to the Canadian people, I suggest we should take the bull by the horns and see to it that the necessary changes are made.

On motion of Senator Hicks, debate adjourned.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—ORDER STANDS

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Hicks calling the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.—(Honourable Senator Cameron).

Hon. Paul Martin: I hope that Senator Hicks does not think that no other honourable senator wishes to participate. This is a very important matter, and I would like him to know that I hope to contribute to the debate. I am waiting for certain material which is not yet available. However, I want him to know that we regard this as important.

Hon. Mr. Hicks: I thank the Leader of the Government for the interest he is taking in this subject.

Order stands.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, April 12, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of a Memorandum of Understanding between the Government of Canada and the Government of Mexico, dated 2nd April 1973, concerning an exchange program of young specialists and technicians.

Copies of a Diplomatic Note, dated 2nd April 1973, regarding Canada-Mexico consular understanding.

NATIONAL FINANCE

APPROPRIATION ACT No. 1, 1973—WRITTEN OPINION FROM DEPARTMENT OF JUSTICE TABLED

Hon. Douglas D. Everett: Honourable senators, I have here a written opinion from the Department of Justice to the Standing Senate Committee on National Finance. This document arises out of certain questions asked by members of the committee at their meeting on February 23, 1973, when they were dealing with Appropriation Act No. 1, 1973. I should like to table this opinion and request that it be printed as an appendix to the *Debates of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of opinion see appendix "A", pp. 523-526.*)

INTERNAL ECONOMY

BUDGET OF AGRICULTURE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on 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 the 28th day of March, 1973.

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 16, 1973, at 8 o'clock in the evening.

• (1410)

Honourable senators, may I be permitted to add a few remarks to outline what is in store for us next week. I should begin by saying that I have had the opportunity of discussing this program with the Leader of the Opposition. It is anticipated that the income tax bill will be coming to us over the weekend, and it is proposed that on Monday evening we should take first and second readings, starting with the sponsor of the bill, followed by any other senators who may wish to speak on the matter. I understand that an honourable senator opposite will then adjourn the debate until the following day.

The Senate will be sitting on Tuesday morning to complete, it is anticipated, the debate on second reading, after which the bill will be referred to the Standing Senate Committee on Banking, Trade and Commerce, thus giving the whole afternoon and, if necessary, the evening of Tuesday to the committee to consider the bill. It is anticipated that on Wednesday we will deal with third reading of the bill, with the possibility of having royal assent later that day. There will, of course, be sittings of other Senate committees during those three days of next week, after which we will recess for Easter.

Motion agreed to.

VIETNAM

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—SUGGESTED APPEARANCE OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS BEFORE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS

[*Translation*]

Hon. Martial Asselin: I should like to put a question to the Leader of the Government.

Since the death of a Canadian who was a member of the International Commission in Vietnam, many Canadians are wondering whether our presence there really serves the cause of peace. In the light of that unfortunate incident, the Secretary of State for External Affairs has made a statement in the House of Commons, as well as outside the House, saying that this would not prompt the government into deciding a hasty withdrawal of its members from the International Commission before the period agreed upon by the government.

As this matter which is important to all Canadians has not been clarified to their satisfaction, I am asking the Leader of the Government what the possibilities might be of the Secretary of State for External Affairs appearing before the Senate Committee on Foreign Affairs some time next week, before Easter, so that we might discuss the matter, ask questions and throw light on the situation.

To my mind, this has not been thoroughly considered in the other place.

[*English*]

I would ask the Chairman of the Standing Senate Committee on Foreign Affairs if it would be possible to invite the Secretary of State for External Affairs to appear before the committee next week before the recess, in order to give honourable senators an opportunity to ask questions to clarify the situation, to discover where the government intends to go on this very important question.

I would ask the Leader of the Government if it is possible to invite the Secretary of State for External Affairs to do this. I am sure that the Chairman of the Standing Senate Committee on Foreign Affairs will be disposed to make any arrangements to get the minister there, so that we may ask questions in an attempt to clarify the situation as best we can.

[*Translation*]

Hon. Mr. Martin: Perhaps, after my remarks, the chairman of the committee might tell us whether he can make arrangements for a meeting of the committee.

I shall immediately contact my colleague, the Secretary of State for External Affairs, unless he should be away—but I think he is here—as I believe he will gladly appear before the committee. At any rate, I shall immediately consult him and arrangements might be made with the co-operation of the chairman of the committee, since I fully recognize the importance of the matter.

[*English*]

I have just said that I am sure that the chairman of the committee will be glad to comment as to what arrangement he can have for the committee to meet next week. I will consult with the Secretary of State for External Affairs right away and I am sure that, unless there is some reason why he cannot be present, and I know of none, he will be glad to put himself at the disposal of the committee.

Hon. Mr. Aird: Honourable senators, I would like to supplement the remarks by the Leader of the Government in reply to the question posed by Senator Asselin. Most certainly the Standing Senate Committee on Foreign Affairs will be very pleased to meet, some time early next week. I have just listened to the program for next week and it occurs to me that possibly Tuesday morning or Tuesday afternoon might be desirable, to suit the convenience of senators. Certainly, as far as I am concerned, we will be here and I will collaborate with the Leader of the Government and make every effort to have the minister present.

INCOME TAX

DEADLINE FOR FILING PERSONAL RETURNS—QUESTION

Hon. Mr. Lang: Honourable senators, may I put a question to the Leader of the Government. In view of the widespread confusion and difficulty now being experienced by the average taxpayer in completing his income tax return, will the government in its compassion consider extending the April 30 deadline for filing of personal returns?

Hon. Mr. Martin: Honourable senators, the Minister of National Revenue has replied to that question in the negative, but as the question has been so ably put I will certainly discuss the matter with him.

Hon. Mr. Flynn: In supplementing the question, not the answer, I would say that the compassionate grounds should extend to the accountants. I never prepare my own return, but my accountant is very worried that he will not be on time and I would not want to be in the position of having to pay a penalty for the delay.

Hon. Mr. Martin: You can always make an interim payment, as I am going to have to do.

Hon. Mr. Smith: Why not do it yourself and see how easy it is?

CROWN CORPORATIONS—REQUIREMENT TO PAY TAX ON NET INCOME—QUESTION

Hon. Mr. Everett: Honourable senators, this is a question to the Leader of the Government. I would like to inquire whether all crown corporations are required to pay taxes on net income and, if so, whether any crown corporations are at the present time exempted from this requirement?

Hon. Mr. Martin: I will have to take that question as notice.

Hon. Mr. Flynn: Like all questions relating to the new income tax application.

Hon. Mr. Martin: I think there is a lot of truth in that.

THE SENATE

DISPLAY OF CANADIAN FLAG IN CHAMBER

Hon. Mr. Fournier (Madawaska-Restigouche): Honourable senators, before the Orders of the Day are called and although I may be late with my remarks, may I say I note that the beautiful Canadian flag is now on display in the chamber. I wish to congratulate those responsible for this. To my mind, this was long overdue. Furthermore, I would like to see an appropriate flag in the office of each senator. I again congratulate those responsible.

Hon. Mr. Langlois: Honourable senators, I too am very proud of this flag. The placing of the Canadian flag in the chamber results from a motion I moved here over a month ago. It was seconded by the Leader of the Opposition (Hon. Mr. Flynn) and was carried unanimously.

• (1420)

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Laing, P.C., seconded by the Honourable Senator Connolly, P.C., for the second reading of the Bill S-4, intituted: "An Act to amend the National Parks Act".—(*Honourable Senator Welch*).

Hon. Chesley W. Carter: Honourable senators, I wonder if I may be permitted to speak in place of Senator Welch.

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

Hon. Senators: Agreed.

Hon. Mr. Carter: Honourable senators, I should like to begin by expressing my commendation to Senator Laing for the very explicit way in which he explained not only the particular bill before us but the parks policy in general. I should also like to congratulate Senator Norrie on the excellent intervention she made yesterday.

I am sure we are all in agreement with the parks policy as outlined by Senator Laing; it appears to be a sound policy. I am personally in favour of creating parks as far north as possible in our northern territories, because we certainly do have wonderful tourist attractions in that part of our country, and creating parks is probably the best way to utilize these particular assets. In that respect I certainly hope the government will give consideration to creating a national park in the Labrador part of my province.

My quarrel is not with the parks policy itself but with the manner in which the policy is implemented. Judging from the manner in which parks policies have been implemented in my own province and in Nova Scotia, I think we would all agree with the point made yesterday by Senator Buckwold that very little consideration is given to the human element when policy is implemented.

In recent years we have heard much about participatory democracy. Well, if that expression means anything it means that the people themselves take part in decision-making. To do that the people must be consulted and information must be provided to them. But all these factors have been missing in the implementation of policy in the parks of which I have personal knowledge.

I would think, therefore, that the first question to be answered to the satisfaction of the people is this: Is the park really necessary? Is it really in the national interest, or is it in the interest merely of a very small group or small section of a province? When you begin to uproot people from the land they have occupied for generations and which they plan to pass on to their children, then surely such a step can be justified, only if it can be proven to be truly in the national interest and not solely in the interest of some bureaucrat or department wanting to extend its empire or in the interest of some particular pressure group hoping to get a special advantage from it.

The people are also entitled to know the answer to another question: What are the economic benefits which will accrue, if it is decided that a park is in the national interest or is in the interest of a province as a whole? I want to stress this "province as a whole" as opposed to any small section of a province. If that can be demonstrated, then the next question that comes too mind is: What are the economic benefits that are going to accrue from this? What are the net benefits going to be? Jobs will be created and jobs will be destroyed. When we have put down the debits and the credits and have drawn a balance, then to what extent will the people affected have benefited and to what extent will the province as a whole have benefited?

A third question that naturally comes to mind is this: Where are the boundaries of the park to be drawn? Certainly insofar as it concerns the parks that I know about, there has always been the utmost secrecy in this regard. There has been no clear definition as to where the boundaries of the park are going to be drawn. A tentative boundary has been drawn up, but nobody knows for certain whether that is a final boundary or not. Furthermore, so far as I know, no information has been given as to any studies made as to what the actual economic benefits are. It boils down to the fact that these decisions, instead of being left to the people, are left very much in the hands of certain bureaucrats, and we all know that some of these people do things with a very heavy hand. So, my first quarrel with the way this policy is being implemented has to do with the secrecy involved and the lack of information and lack of consultation with the people affected.

My second quarrel has to do with people's rights, individual rights. The characteristic that attracted me first to the Liberal Party was its emphasis on the importance of individual rights, but now when we come to the implementation of park policy, and here I am referring particularly to the park in Newfoundland and the one in Nova Scotia that Mrs. Norrie referred to yesterday, people's rights do not seem to exist. What has happened? I am not personally interested in either of the parks, but I am interested in people's rights, and I think that so far as this chamber is concerned this is one of the things in which we should be most interested. We should take steps to inquire into what is happening to individual rights with respect to park policies, and we should take whatever steps are necessary to safeguard them. I think that is one of the reasons for the existence of the Senate and it is one of the ways in which we can justify our existence.

From what I have been able to determine concerning what is to be called the Ship Harbour National Park, the proposed park for the eastern shore of Nova Scotia, no consideration at all has been given to the rights of the people affected. I had an opportunity to attend a couple of meetings held by the citizens in this area, and they were most concerned as to where they stood with respect to their individual rights. As an outsider looking at this picture in Nova Scotia, the only conclusion I can come to is that somebody—and this "somebody" is very hard to define because when you come to try to pinpoint who the culprit is you find that the buck is passed and the provincial government says, "The federal government is putting the pressure on us," and when you come back to the federal government you find it is a different story—but there is no doubt that looking at it from the outside it appears there are two classes of citizens. It seems that this park on the eastern shore is going to benefit mainly the people who live in and around the Halifax-Dartmouth area in that it will be within 30 or 40 miles of them. I should like to point out that this is very different from the parks policy drawn up a few years ago. At that time the line was taken by the federal government that they did not want to put national parks too close to large population centres. Now that policy seems to have been reversed and the people who live in this area, and who are not anxious to be part of this park, are being told, "You are going to be pushed off your land and your jobs are going to disappear. You will lose control of your land even if

you live on it until you die." All of this is done to the benefit of another group of citizens 30 miles away, and to my mind that is not justice.

• (1430)

I mentioned earlier the matter of bureaucracy, and Senator Norrie pointed out yesterday that clause 2 containing section 3.1 gives the Governor in Council blanket authority to move the boundaries back and forth any way they wish without reference to the House of Commons or the Senate, or any elected body. The discretionary power to make these decisions is in the hands of some bureaucrat who may be only a very minor official. This is one section that the Senate should look at more closely, and I hope that this bill will be sent to committee so that a thorough investigation can be carried out in connection with the implementation of the parks policy.

One other point I wish to make is that while the parks policy may be a bit rough on people who live within the boundaries of a park and are being pushed off their land, it is almost as bad for those who live near enough to the park to come under the park regulations which prevent them from doing what they please with their property.

Honourable senators, these are the questions that disturb me, particularly the question of individual rights, of human rights. As I see it, the parks policy is laid down by the federal government and an agreement is worked out with the provinces, who have the authority to expropriate the land selected. We must remember also that the Expropriation Acts of the provinces are very much inferior—at least most of them—to the Expropriation Act we passed in the Senate two or three years ago.

Hon. Mr. Smith: Except for the Expropriation Act of Nova Scotia, which is better than our federal act.

Hon. Mr. Carter: That is not my information. Has that act been passed?

Hon. Mr. Smith: Oh yes.

Hon. Mr. Carter: That may be, but this point should certainly be taken into consideration. If we do not look into these matters, there is a very good chance that this parks policy will be implemented in such a way as to develop what I would call a dictatorial tyranny.

Hon. Mr. Laing: Would the honourable senator permit me a question? Senator Carter made representation for a park on the Labrador coast. What would be the relative priority of such a park as against the Bonne Bay area on the Cumberland Strait.

Hon. Mr. Carter: Do you mean the Gros Morne National Park?

Hon. Mr. Laing: On the west coast of Newfoundland there is proposed—

Hon. Mr. Carter: I am not advocating that you substitute a park in Labrador for a park on the west coast of Newfoundland. I think it is a very good idea to have that park. I am not quarrelling with the parks policy. What I am quarrelling with is the way it is implemented. I also express the hope that the time will come when we will develop parks in Labrador and other parts of our northern territories.

On motion of Senator Flynn, for Senator Welch, debate adjourned.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.

Hon. Henry D. Hicks: Honourable senators, in the first month following Confederation, July 1867 and, I believe, in the first week of that month, the press in various parts of Canada, notably the city of Toronto, started to question the role and function of the Senate in Canada and to criticize it in varying degrees. During a recent sitting I found it very interesting to listen to Senator Desruisseaux as he summarized for us the various debates in relation to the question of the Senate, its role and its function, which have been held in this chamber and elsewhere from 1874 onward. This summary was very useful and informative. These debates underline the fact that while Senator Croll's inquiry initiated on March 13 may be very interesting, it is certainly not without precedent in this chamber or in other parts of the Parliament of Canada.

I do wish to make some reference to the 12 points which Senator Croll interjected into his proposal, perhaps making more specific suggestions than previous inquiries or motions in the Senate on this subject have included. I should like to start by observing, however, that it seems to me that it is a healthy sign that members of this chamber are sensitive to criticism as, indeed, is quite evident by the response which Senator Croll's inquiry has already received, both in the house and outside this chamber. As I say, it is a good sign that we are sensitive to criticism of the Senate which takes place here or in the country generally. It is also, however, very important that we not overreact. Let us not forget, and I say this with some humility, being one of the second youngest group of senators to join this body, that it is a privilege to be appointed here and, more than that, it is a privilege to serve the people of Canada in this chamber, and that despite the criticisms directed at or against us from time to time.

Most Canadians in most parts of Canada with which I am familiar still feel this way. It does not surprise me that the press of Canada—and I have referred to them in a previous speech earlier this year as perhaps having a death wish for the whole country—should seize upon the easy opportunity of criticizing the Senate. These criticisms very often come from persons who do not have a very profound understanding of the parliamentary system and sometimes who do not even distinguish between the system of representative parliamentary democracy which characterizes the government of this country and the congressional system which operates in the great democracy to the south, but where there are vast differences in the approach to the legislative process as well as to the executive and administrative processes of government. These criticisms from press reporters usually come from persons who do not offer any constructive alternative and who themselves do not assume any responsibility in the public processes of government in

Canada. Indeed, as is well known, I am sometimes just a little bit tired of people criticizing only in the negative and destructive way, without developing positive alternatives which could be very helpful.

• (1440)

As for Senator Croll's observations, I wish to refer, although not *seriatim*, to a number of points that he made which seem to me to require much more careful study. I commence by being in disagreement with the honourable senator.

First, the question of veto. I suppose that none of us today could seriously object to a change in which the veto power of the Senate was made something less than absolute. I would go along with this, and would agree to some kind of suspensive veto which might operate differently in respect to different classes of legislation.

Let me point out that the veto power of the Senate in the whole history of the Canadian Confederation has been exercised with the greatest care and constraint, and perhaps the reason why we have not come under more violent and direct criticism, if you like, is because we and our predecessors in this chamber have virtually without exception shown good judgment in the use that we have made, or the use that we have refrained from making, of the veto power of the Senate.

If my recollection is correct, the last two occasions when the veto power was used were when the Senate had a Progressive Conservative majority, and failed to pass two bills during the time of the late Prime Minister Mackenzie King—

Hon. Mr. Flynn: No.

Hon. Mr. Hicks: The Canadian Confederation did not fall apart because of this.

Hon. Mr. Flynn: It happened under the Diefenbaker government, when the majority was here.

Hon. Mr. Hicks: I am sorry. I assure the honourable senator that my oversight was not deliberate. It merely reflects my inexact knowledge of the situation.

In any event, let me say that the Canadian Confederation did not come close to falling apart on either of those occasions. Nevertheless, I think that most of us in this chamber would be willing to see—and speaking for myself, I would be willing to see—some reappraisal of the veto power of the Senate.

There is a further point. I suspect that if the Senate had a suspensive veto of some kind we might find ourselves using it a good deal more, whereas we are now very careful about using the absolute veto power of the Senate to defeat legislation passed in the popularly-elected chamber of this Parliament.

The second point that I wish to raise has to do with representation in the Senate. Here Senator Croll made the interesting observation that we should have additional senators in some parts of Canada. Speaking as a Maritimer, coming from a province which was one of the original members of the Canadian Confederation, and having regard to the assumptions and guarantees which were made on our part and on the part of the newly formed Government of Canada, or the Government of Canada that was being formed at that time, I regard the original representation in the Senate as being much more important than does Senator Croll. I think it was sound to say that Canada, as originally constituted, would be divided into three districts, those of Ontario, Quebec and the Maritime provinces, and that those districts would have equal representation in the Senate. Then, when the Western provinces came into being, they became the fourth district. Again the policy of equal representation was carried out, until Newfoundland entered Confederation, and the Senate consisted of four regions with equal representation.

I must admit that to my mind the situation which occurred in 1949, with the advent of Newfoundland, creates an anomaly and gives the Maritimes, or now the Atlantic provinces, an advantage which was not contemplated when the Confederation bargain was made; and probably this should be corrected.

As a Maritimer, or an Atlantic province person, I could certainly not object to the original representation in the Senate being redesigned in order that there might be an equal number of senators from each of the four regions, but I would say that those regions would have to be the Atlantic provinces, the province of Quebec, the province of Ontario, and the Western provinces. I could not agree cheerfully—indeed, I would not agree at all, and I would attempt to frustrate it—to any decision along the lines of giving Senate representation to one district at the expense of the others. That is why I am moved to say that I cannot agree to the Atlantic provinces' having the advantage of additional representation.

Hon. Mr. Forsey: Would the honourable senator permit me a brief question? He spoke of the anomaly of Newfoundland having six senators, and said that that was not contemplated at the time of Confederation. Am I not correct in thinking that section 146 of the British North America Act contemplates exactly this anomaly?

Hon. Mr. Hicks: I am sure Senator Forsey is correct in saying that. But I still say that Newfoundland should take its place in one of the regions here, just as should the Western provinces. I did not realize that it was contemplated in 1867—I should have reread the British North America Act more recently than I did—that there should be this changed representation which would put the Atlantic provinces' representation higher than those of Ontario and Quebec. If so, I think the answer is that in those days the balances were somewhat different from what they are today. As an Atlantic province person, the best that I can honestly hold out for would be to say that our representation from the Atlantic provinces should be equivalent to that from the West, each of which, in turn, should be equivalent to the representation from Ontario and Quebec.

Lest someone is thinking of saying at this time, "Look at the vast population differences," the population of Ontario, for example, being approximately four times the combined population of the Atlantic provinces—I repeat, approximately four times—I would point out that it was for just this reason that the Senate was constituted in the way it was; that there was no attempt to make the Senate representative of the country's population. I may say in this respect that even though the United States Senate is an elected body, the little state of Rhode Island has exact-

ly the same representation in the United States Senate as the great states of New York and California.

I believe, therefore, that there is no point in having a second elective chamber in Canada, that if we are to have a chamber representing regional interests of Canada we have to maintain regional representation. I would go along with that sort of change, whereas I would be opposed to the sort of change that Senator Croll advanced that would double the number of senators from Western provinces at the expense of the other districts.

I also believe that it would not be practical to attempt to limit the number of senators with any particular party affiliation. I will have a suggestion to make on that in a moment which I think would have the effect of doing this without requiring senators to be categorized as adhering to one political party or another. By the same token, I do not agree with Senator Manning's suggestion that there should be no party affiliation at all in the Senate. It seems to me that it would change the whole nature of our parliamentary institution, and the role of the Senate in Parliament.

I cannot agree with Senator Croll's proposal regarding the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, and the Speaker of the Senate. Again it seems to me that Senator Croll is infatuated with the American congressional system of government. It is a deliberate attempt to fragment the power of government—not only the executive power of government but also the legislative power of government. It seems to me that this has sometimes been of great disadvantage to the efficiency of government, legislation and sound administration in the United States.

I will not take the time now to debate the advantages of the parliamentary system over the congressional system, but it seems to me that Senator Croll's suggestions in relation to the leaders in the Senate, and the categories to which I have referred, would be a move toward the congressional system and away from the system of representative parliamentary democracy that now exists.

For that reason it follows that I believe that the Leader of the Government party in the Senate should be a member of the Cabinet. That is where the *de facto* power resides in our system, and it would be naïve and fictitious for us to assume that there could be a minister of the Crown in the Senate and another person elected from among government supporters in the Senate, without there existing some kind of rivalry which, I think, would not be helpful to the governmental or legislative process in this chamber.

Finally, it seems to me that the suggestion that we should limit the period of service of Government leader, or of other leaders or officials in the Senate, again is a swing toward the American system, and is not necessary. The occasions are exceptional when government leaders in positions of responsibility in this country stay in office for too long. Indeed, we may be in for a period when it will be difficult for responsible leaders of either major political party to stay in power long enough to accomplish legislative programs and provide stable government for this country. I do not fear longevity in terms of years in office of the Leader of the Government in the Senate, any more than I fear longevity in terms of years in office of the Prime Minister of Canada, or of other responsible ministers and officials of the government.

• (1450)

Someone said—I believe it was Senator Nichol—that there is a group of people in this country who he described as "age bigots." In any event, there are certainly a lot of people in western society today who are obsessed with the idea of youth. Therefore, the assumption is naturally made that anyone who is younger is almost certainly more apt to be correct than anyone who is older. This is a far cry, a 180-degree turn in the circle, if you like, from the situation that brought forth the witty comment of Oscar Wilde in the 1890s when he said, "Thank God youth is so beautiful; it has so little else to recommend it."

Today we hear that youth is not only beautiful but that it has everything else to recommend it. Well, I am certainly not against young people, but at the same time I am not prepared to count either myself or my colleagues out because we are in our fifties, and I hope I will feel the same way when I am in my sixties and my seventies. The views expressed by young people are not necessarily better merely because they are expressed by someone who is young.

It is rather interesting to recall that the phrase which was so popular in the late 1950s and early 1960s, "Never trust anyone over 30," was coined by young people who are today over 30. I wonder if they feel there is still some validity to that view which they expressed more than 10 years ago.

With respect to Senator Manning's contribution to this debate, I am surprised, frankly, by the fact that there is so little of what he said with which I can agree. While Senator Manning and I are not of the same political affiliation, I have generally found him to be a very responsible participator in the parliamentary and governmental system of this country. I can only say that it seems to me that Senator Manning's proposals for the reform of the Senate were an attempt on his part to keep a bicameral system of legislating in existence, while acknowledging that we really did not need one; and to find things for the Senate to do, while removing it from the main stream of the legislative process.

Again, I think that to make the Senate a super committee for the purpose of advising the House of Commons may come closer to analogizing the functions of committees of Congress, and particularly the Senate, in the United States which, I think, are all functions that can be and have been performed by committees of this chamber, as well as committees of the other place, with increasing success over the past few years. I may have a little more to say about that later.

I said I had some positive suggestions to make. You may feel it presumptuous of me, not having spent one year in this august chamber, to make suggestions in the presence of senators with so much more experience in general than I, and so much more experience in this chamber. I will merely say that my views are not views that have been developed in the 11 months I have been in this chamber, but rather views which have been developed during the long period over which I have been interested, as a provincial politician, in our governmental institutions, particularly the federal government and the agencies which

enable it to relate to the governments of the provinces of Canada, and even more recently—but still going back as far as 1957—when, for a time, I developed a course on the Government of Canada which I gave through the extension service of Dalhousie University. I started to do that, I must say, before I went to Dalhousie University as a member of the staff. So I have been interested in the Senate for a long time.

First and foremost in importance, I think—and I am certainly not the first person to say so; indeed, it was the key point which Senator Roebuck used to make time and time again—is the quality of appointments to the Senate. I have no quarrel with this. Generally speaking, I agree with the remarks of my predecessors in this debate, and others, with respect to the latent talent and the qualifications of those appointed to this chamber. I have no quarrel with the quality of appointments to the Senate.

The nature of appointments to the Senate, however—if I may make this distinction for the purpose of the argument I am now going to enter upon—strike me as being somewhat different. I think there is a feeling that the people appointed to the Senate—there have been minor exceptions from time to time and rather more over the last few years than previously, but still minor exceptions—are always appointed for straight political conformity to the party in power in Ottawa at the specific time of appointment. Generally speaking, this has been the case. Indeed, Sir Wilfrid Laurier made a speech which reads rather quaintly today in which he justified this and maintained that no one would expect it to be otherwise. Certainly in Laurier's and Macdonald's time it was not otherwise, and it has not been otherwise very often since then.

I think it is impossible to ignore the influence of the Governor General in Council in controlling appointments to the Senate, but I postulated the idea myself—and I have the notes that I made in 1957 to verify this—before it was enunciated by Prime Minister Trudeau, or anyone else that I know of, that this could easily be remedied by having a certain proportion of senators appointed by the Governor General on the recommendation of the Lieutenant Governors in Council of the provinces of Canada.

I even carried my thinking a little bit further than that. If we agree, let us say, that one third of the Senate—or 40 per cent, or 50 per cent of senators—should be appointed on the recommendation of the provincial governments, we could very easily implement it over a period of time by having the first vacancy for the Province of Nova Scotia filled on the recommendation to the Governor General by the Lieutenant-Governor in Council of the Province of Nova Scotia. The second vacancy in Nova Scotia could be filled by the Government of Canada, and the third vacancy in Nova Scotia could be filled on the recommendation of the Government of Nova Scotia, and so on, until we reach the proportion agreed upon. This, it seems to me, would be of great advantage to us during long periods of time when the Government of Canada remains under the control of one political party.

Certainly, it is impossible under the present system for members of the CCF Party of Canada, now the New Democratic Party of Canada, or the Social Credit Party of Canada, to find friends in Ottawa who would recommend their appointment. Yet those parties have formed governments in the Western provinces of Canada for many, many years, going back to the 1930s. Had my procedure been followed, there would be a modest representation in this chamber from those parties. I am sure we all acknowledge the very significant role in the development of governmental institutions in this country which those parties played.

Therefore, I most definitely favour appointment to this chamber on the recommendation of the various governments of the provinces of Canada. I think this would in itself provide a check on the Senate's becoming as lopsided in favour of one particular party against other parties as it was at the end of Sir John A. Macdonald's regime in the 1890s. Then the Liberals had got that balance redressed by the time they went out of office in 1911, but when they came back into office again there was a Conservative majority in the Senate. It seems to me that had there been some appointments made to this chamber on the recommendation of the provincial governments during these periods the pendulum would never have swung quite so far, and the composition of the Senate might have been more acceptable to the people of Canada generally.

However, the greatest change which I should like to see in the Senate is in the work of the Senate. It seems to me that this could largely be accomplished if the Parliament of Canada—and I use that term to include both houses—and the Government of Canada would co-operate to make more work available to the Senate, in the way of dealing with legislation and other important public matters, at the appropriate stage. I realize that there have been times in the history of this chamber, before I came here, when a fair proportion of government bills were introduced into the Senate, dealt with here and processed by the Senate committees before being dealt with by the other place. This is as it ought to be, and we should try to encourage the government of the day, of whatever political persuasion it may be, to make a greater use of the Senate in this respect.

• (1500)

I appreciate that in the session before a general election there is every reason why there may be more political overtones and undertones to legislation, and why government ministers may feel it is more appropriate, or at least more conducive to their political advantage, to keep things in the other place and not allow so much legislation to be initiated in the Senate. I appreciate that, and I suppose that at periodic intervals the Senate will have to put up with that sort of thing. I like to think that if I had come into the Senate at a time other than when I did, which was on the eve of a general election, I might have seen more government legislation being dealt with in the Senate.

I also appreciate the limitation in respect of money bills. Let us look at the situation. It is quite clear from our Constitution that money bills cannot be introduced in the Senate. On the other hand, on occasion my predecessors in this place have amended money bills and bills that had financial implications. While sometimes there has been grumbling and resentment about this by those in the other place, generally speaking those amendments have been

accepted with good grace, and again without disrupting the process of legislation and government in Canada.

I personally would be in favour, if we could induce those in the other place to do so, of trying to look into this whole question of financial legislation again, to see if there is not still a role the Senate could play, even in initiating bills of this kind, with an appropriate safeguard that the Senate could not unduly frustrate the wishes of the government of the day in respect of the control of the budget of the country. I think as a starter we would all have to agree with the proposition that any government would have to maintain its position inviolate in so far as controlling its budget is concerned.

It also seems to me that the Senate could play an even more important role through its committees, though here I must say I have no criticism because in recent years, especially under the leadership of Senator Martin, the Senate committees have made valuable and noted contributions to the public life of this country.

All thoughtful and informed Canadians were interested in, and concerned about, the report of the Special Committee of the Senate on Science Policy, headed by the distinguished Senator Lamontagne. By the same token, all Canadians were interested in, and vitally concerned about, the report of the Special Committee of the Senate on Poverty, headed by Senator Croll. The Special Committee of the Senate on Mass Media, headed by Senator Davey, received a great deal of attention and there was, I think, general approval of the work it did in relation to this important estate in our society today. The Standing Senate Committee on Foreign Affairs, presided over by Senator Aird, has in recent years produced most helpful comments on Canadian-Caribbean relations, and more recently on Canada's relationship with the European Common Market.

I may have overlooked other committees of equal importance. I have not tried to refer to the continuing sound work of the standing committees of the Senate which has been, by me in any event, appreciated for a good many years. Here I think we could develop the work of the Senate, make it more relevant to the needs of the people, and conduct these procedures in a way that perhaps can be conducted in this chamber without as much partisan bickering and jockeying for political position as is bound to take place in the other place. Let me add that I do not object to it taking place there at all.

I now come to another comment I wish to make about the Senate. Frankly, it seems to me, honourable senators, that in the eleven months since I have been here I have listened to a great deal of discussion about the time spent by the Senate in debating certain legislation. I am a little puzzled at what seems to me to be the attitude of some of you honourable ladies and gentlemen, my peers in this chamber, to identify the worthwhileness of our contribution with the quantity of debate and the time we devote to a particular measure. With the greatest respect, this seems to me to be wrong. I do not think the Senate should be the least bit ashamed of doing in one or two days what could be extended to three, four, five or six days, provided we have taken sufficient time to debate the issues to the reasonable satisfaction of those who are interested, and have something constructive to say or to question, and provided we allow enough time for our committees to hear the necessary evidence and study the legislation to the degree necessary to assure the committee members that they can recommend the legislation back to the Senate for favourable consideration.

I have noted that often we have been concerned at legislation coming to us when we have only a day or two to dispose of it. Here let me say that should the time come when legislation is sent to us that I feel requires more study before I can form my opinion on it, that I want to express my views on a matter on which I feel I have something legitimate to say, I shall insist, with all the powers that I have under the rules of this house, on having proper time to consider that legislation.

On the other hand, it seems to me that in many instances that have occurred during the year I have been here, our honourable and genial friend the Leader of the Opposition has actually spent more time criticizing the time schedules and the lack of time to debate and discuss legislation than he has subsequently spent in debating the merits of that legislation. Perhaps I am going further afield than I ought as such a new boy in this place, but this does seem to me worth while saying.

For example, on the legislation designed to add funds to the unemployment insurance fund this year, it seemed to me that we all knew the facts without any question. I certainly think the Leader of the Opposition was fully justified in taking the time of this chamber to castigate the government for having been unable to predict the state of affairs earlier, and so on, but the plain fact of the matter was that there was no question what the Senate would do; the issue had been before the other place for a good deal of time; we knew what it was about. It did not bother my conscience or sense of responsibility to dispose of that legislation in one or, at most, two sittings of the Senate. I therefore urge that we should pay more attention to the quality of our debates than to the quantity of time we spend on debating issues in this chamber.

The late Senator Roebuck wrote an article in *Saturday Night* in February, 1954, in which he told a story which I think underlines this point very nicely indeed, and I should like to quote it:

> Because of the almost total absence of party bickering and of partisan recrimination, debates in the Senate are very much shorter than in the Commons and lack some of the asperity and tang of the elective assembly. Someone once said that the Senate is a workshop and not a theatre. A Senator replied to a Member of the Commons who commented on the speed with which the Senate had disposed of a Bill. "Yes," he said, "in the Commons you address yourselves to the electors, while in the Senate we address ourselves to the question—a much shorter proceeding."

I am not sure that we are in fact as good at this as Senator Roebuck said, but I think the story is illustrative of the point I am trying to make, with respect, at this time.

Nevertheless—and I do not want to be misunderstood here—I insist that the Senate must stand on its rights and its prerogatives. The Senate cannot allow itself to be hurried into a decision when there is a legitimate cause for inquiry, when there is doubt in the minds of honourable

senators about how they should vote on a particular matter. On such an occasion, no matter how great the national urgency, it would be difficult for me to believe that we were not justified in holding up some legislation by a few more days in order to make the right decision, though I feel that I have not yet been confronted with this kind of a decision in conscience or judgment.

What, then, do I think we should do about this inquiry at this time? Set up a special committee of the Senate? I do not know. Some who have more experience than I will perhaps be better judges of this. It seems to me that we are here concerned with the interests of many people other than ourselves, that the reforms of the Senate proposed in Senator Croll's 12 points affect widely the interests of Parliament as a whole. They affect the interests of the other place as well and they certainly affect the interests of the provinces of Canada and the interests of the regions of Canada. I believe that they affect the interests of the people of Canada and of her provinces as a whole. It may be that only a small proportion of the people of Canada ever spend much time thinking of the nature, the real function and the discharge of the duties that devolve upon the Canadian Senate.

• (1510)

I am aware also of the constitutional position which has been referred to, and I know how difficult it is to get agreement in this country to constitutional changes. Here I suspect that the regions of Canada, if they were threatened either with the abolition of the Senate or with a drastic change in the power balance or representation of the Senate, would find that they had very real interests in the preservation of the Senate and in a critical analysis of its continuing functions in the legislative process of this country.

It may be that the best we can do at this time is to give our own attention to these matters, to record our views here, so that the government and the Parliament and the people of Canada should know that we in this chamber are concerned about playing our assigned role more effectively, if it is possible for us to do so, and that we are willing to consider changes and suggestions. It does seem to me, however, that if any of these changes or suggestions are going to be effectuated, they will require a constitutional amendment—except for the shifting in the work load of the Senate, which could be done by arrangements with a sympathetic government within a comprehensive parliamentary system. I feel that a constitutional amendment is not apt to follow upon a report of a committee of this chamber, and that some more far-reaching committee, if it were serious about this, would have to be set up to take into consideration the interests of the provinces and the interests of the other place in this Parliament of Canada.

In the meantime, I believe there is much we are doing and much that we can do and that there still remains much validity in the observations of the late Senator Roebuck in that same 1954 article to which I referred, and with this quotation from it I shall end my remarks in this debate. He said:

> A place in the Red Chamber is not only an honour; it's also a job. It's an employment, calling for studious industry, devotion to the public welfare, knowledge, thought and wisdom. Give us men and women who revere Canada and who love their fellow men, who respect the individual and his rights and will follow freedom wherever she may lead. Give us big men, who are idealists and workers, who have courage and endurance, and the Senate will continue in ample measure its service to mankind.

Hon. Eugene A. Forsey: Honourable senators, we owe a debt of gratitude to Honourable Senator Croll for having initiated this discussion. We have had some very distinguished speeches on this subject. Unfortunately, I was not present when Senator Croll himself delivered his speech, but I need hardly say that I read it with the greatest interest and appreciation. Also I missed—and unavoidably, for reasons beyond my control—Senator Manning's speech. Nevertheless, I heard all the other speeches on this subject. They illustrate very well the view of eminent writers on our Constitution that the level of debate in the Senate compares favourably with the average level of debate in the other place.

This afternoon we have listened to a particularly eloquent speech by Senator Hicks. It was delightful, not only for its learning and for the quality of its matter but also for the style in which it was delivered. It makes me the more conscious of the inadequacy, especially on the latter point, of what I want to say this afternoon myself. I cannot hope to attain the heights attained by Senator Hicks and the others who took part. I shall try to make some suggestions which may be of some use to my colleagues and even perhaps to the public.

Like Senator Hicks, I have been interested in the question for a long time. I have had a rather special and personal interest in it, because in the days when I was an active member of the CCF I wrote not one but several articles arguing strongly—and, as I thought at the time, cogently—for the abolition of this house. I am still inclined to think the arguments I presented were excellent theoretical arguments. Some considerable time before I came here, or before there was any prospect of my coming here, I arrived at the conclusion that the abolition of this chamber was simply not in the cards, it was not practical politics. Fortunately for my own reputation, such as it is, I am on record in writing some years before I came here, to this effect. I do not think I take back anything that I said in the way of theoretical argument about abolition. But I just do not think that the thing is going to happen, or that there is any prospect of it happening within the measurable future. I am reinforced in this opinion by what took place before the Joint Committee on the Constitution of Canada.

Senator Croll in his speech observed that if we had a referendum or a plebiscite or a vote or something of that sort now on the abolition of the Senate, he thought the Senate would lose. I venture to question that assertion. Before the Joint Committee on the Constitution of Canada began its labours, I would have asserted, with the utmost confidence, that there were certain things that could almost be counted upon, or taken for granted. One was that the committee would hear very few representations from anybody on the subject of the Senate, that most people would simply dismiss the matter as of no importance whatever. All this shows, perhaps, what a bad

judge of public opinion I am. That is illustrated further by the fact that I have never guessed right about election results—except once, and then only by the narrowest squeak.

The second thing I was convinced of was that, if there were a substantial number of representations from the public, they would be almost uniformly in favour of abolition. Remember that the committee sat in 47 different places, large and small, across Canada, and heard an immense volume of evidence from all kinds of people, important and unimportant, big and little, from all the different regions, from all sorts of ethnic groups; I do not think one could find any group of people which did not make representations: there were young and old, there were English speakers and French speakers. Italians and Ukrainians—you name it, we had it. But I should have judged that we would have had very little evidence on the subject of the Senate, and we got a lot.

We got very little evidence in favour of abolition of the Senate. The only specific examples that come to my mind at the moment are the evidence of some people from some faculties in our universities, who presented what I would call the usual theoretical arguments on this subject. From the general public we got very little in the way of abolitionist evidence.

The third thing I should have been confident of was that if we got any evidence at all from young people, it would be uniformly in favour of abolition. I was wrong again, I was wrong on all three counts. We got a lot of evidence on the Senate, from all kinds of people, including young people; very little of it was in favour of abolition and most of it, from all kinds of people, was in favour of retaining the Senate in some form or other.

Usually, the opinion that the Senate should be preserved was coupled with proposals for reform, some of which were wild beyond the wildest imaginings of man. I shan't go into detail, but I remember one learned proposal brought before us—at least it was a proposal from a very learned man—on which my comment was that the only suitable thing to do was to quote Coleridge:

> In Xanadu did Kubla Khan
> A stately pleasure-dome decree;
> Where Alph, the sacred river, ran
> Through caverns measureless to man,
> Down to a sunless sea.

We had an immense number of proposals for reform but very little in the way of proposals for abolition. I strongly suspect that if you put this question to the people of Canada now, you would not get a vote in favour of abolition of the Senate.

• (1520)

I am fairly well convinced that in the Atlantic provinces at least, and probably in the province of Quebec, and very probably in the western provinces also, you would get a vote in favour of keeping the Senate in some form or other. I think there is the widespread feeling in various areas of this country that the Senate is some kind of protection against the particular devil which the particular region fears.

In the Atlantic provinces it is "Upper Canada." "Upper Canada would have things all its own way unless we had this bulwark of equal regional representation,"—or, as Senator Hicks points out, more than equal representation— "in the Senate." In the West it is "the East". That is their devil. "The East will have everything all its own way unless we have some kind of bulwark in the form of equal regional representation from the West." Indeed, it was quite evident from the discussion that took place in the committee on the Constitution that people in the West felt they needed a stronger bulwark of regional representation in this place.

If you go to the province of Quebec, you find they have their devil. Any English-speaking Canadian who ventures to make general statements about the province of Quebec is treading on very dangerous ground, risking falling into a Serbonian bog where armies whole, of English-Canadians, have sunk. But I venture to suggest that there may be ground for a suspicion—and this is putting it in almost Mackenzie King-ly terms of caution—I venture to suggest that there may be ground for suspicion that there is a good deal of opinion in the province of Quebec which, if confronted with the possibility of the abolition of the Senate, would be inclined to say, "Oh, no, it is some protection to us against the English," for that is the personal devil of the province of Quebec. That is putting it strongly, but I say that in the same way as I say that Upper Canada is the personal devil in the thinking of the people in the Atlantic provinces and as "The East" is in the thinking of the people of the Western provinces.

I suspect that you would get a considerable outcry from a very large part of the country if abolition were proposed. I think there is very little chance that it would carry in a popular vote and even less chance that it would carry in the House of Commons. At any rate, the repeated efforts of the NDP to get an abolition bill through the House of Commons have so far produced no result whatever. Very rarely, in fact, has such a bill had any discussion on second reading, and even then it has I think invariably been talked out. I don't think there has ever been a vote on it. So this scarcely suggests that the democratic masses of the country are on fire with desire to get rid of the Senate. I don't think they are really terribly excited on the subject.

I have one other comment on the question of the Senate, shall I say, lacking popularity. A friend in the other place, belonging to another party—in fact, belonging to the New Democratic Party—takes a class at a certain university. It is a class in Canadian government. He told me that he was very surprised to find that his students—and I have met them and they are young, not elderly gentlemen coming back to get a B.A. at the age of 70—he told me that his students, much to his surprise, are greatly interested in the Senate and are not in favour of its abolition. It must have been a trifle disconcerting to him as a member of the New Democratic Party to find that out, but that is a fact he reported to me with some emphasis not very long ago.

So I doubt that we are faced with the choice that Senator Croll suggested: "Reform or perish!" I do not think there is any prospect of our perishing. There may be a prospect of our sinking into a less significant role than we feel we ought to have, and than I think we ought to have,

but I do not think we are in any serious danger of actually perishing.

One of the arguments that are made for abolition—and I will spend just a moment on this point, which has already been made in this debate—is that the provinces get along very well with unicameral legislatures. So they do! There is no argument about that. I do not think there is serious agitation in any province to establish a bicameral system of government. But the country as a whole is not a unitary government. It is a federation. It is a federation of provinces and of regions, you might say, one of which is predominantly of the French linguistic group in our population. There may be very little reason for having an Upper House in a province, which has a unitary form of government, but there may be substantial reason for an Upper House, and a non-elected Upper House, in a federation.

I am not very optimistic about any results coming from this debate. I listened with interest to the detailed chronicle which Senator Desruisseaux gave us of the proposals for Senate reform over the years and to the results that came from all of those discussions, and I recalled also the election of 1925 when Mr. Mackenzie King announced plans, which he always kept carefully within his own cerebellum, if I am using the correct anatomical term, plans which he never revealed to the outside world at all events, plans for Senate reform, and I remember the comment of Mr. Meighen, the Conservative Leader at the time: "So that old bird is to be provided with wooden wings and told to fly again!" I cannot help thinking that there is a good deal in that. I should be very much surprised if very much substantial constitutional change in the position of the Senate were to take place as a result of this debate.

It may well be that certain changes in our procedure will take place. It may well be that the eloquence of the Leader of the Government in this house, drawing upon what he has heard in this and other debates, will persuade the Government of Canada to introduce more bills in this house in the first place. I hope so. I wish him well in that and I assure him of my most ardent support. But of constitutional change in the position or function of this place there is very little prospect in the immediate future, in my opinion.

However, once again I may be wrong in my judgment of public opinion. It is therefore perhaps worth while to comment briefly—and I hope I shall be brief—on the proposals which have been placed before us in the course of this debate, notably by Senator Croll, but also by some others.

First of all I think it should be noted that there are certain changes, which Senator Croll at least suggested, which we can make all by ourselves, without even bothering about the people in the other place. Unfortunately, I think most of those proposals are such that they would do us no good and, in fact, probably would do us harm.

I agree with what Senator Nichol said—and he has saved me a good deal of time by what he said yesterday on this point—I agree with him in what he said about what he called "age bigotry," what I perhaps should be inclined to call "youth chauvinism."

[Hon. Mr. Forsey.]

I agree with what Senator Hicks said on this subject. I have said more than once, perhaps here as well as outside, that I never believed in the infallibility of youth even when I was young; I never believed in the infallibility of age, even when I was young, nor do I now. I cannot help thinking in my perhaps rather simple and unsophisticated way that the value of ideas depends not on the age of the person uttering them, or on his ancestry or mother tongue, but on the content of the ideas themselves. If somebody says to me, "Oh, that was proposed by an old man or an old lady," my answer is, "So what?" or "This was proposed by a young man or a young woman." My answer again is, "So what?" I am not in the least interested in this, except as perhaps showing in the one case the extraordinary vigour of mind of the old person, and in the other case the extraordinary and perhaps surprising maturity of the very young person. The content of the idea is what matters, and the suggestion that once people get to the age of 65—and I admit that I may be a little jaundiced in my view of this now, having long passed that age—but the idea that when people reach the age of 65 or even 70 they are necessarily in a process of what Professor Berriedale Keith, in the case of Lord Oxford, called "mental decay" and losing their "sense of political reality" is something I can't believe. I think we have had too many occasions in this chamber, even since I came here and still more perhaps some years back, when people long past the age of 70, 75 or even 80, have made extraordinarily valuable and important contributions to the work of this chamber. I think somebody else mentioned both Senator Crerar and Senator Roebuck as very conspicuous examples of this, and they do not by any means stand alone. There are some honourable senators here now who have reached the age of 75 and who are happily still with us and who, as we all know, make a very important, very distinguished and very valuable contribution to the work of this chamber. So I cannot accept this view that people should be chopped off, whether members of the Senate, or the government leader, or the Opposition leader, or the Speaker, or the chairmen of committees or what-not, simply because they have reached a certain age. I have a certain amount of sympathy, indeed, with the proposal that Senator Nichol made—and by the way his speech yesterday convinced me that it was a great misfortune for this house that he was leaving, that he had, in fact, given excellent reasons why he should not leave; however, that is for him to decide—I was struck by, and had a certain sympathy with, the proposals Senator Nichol made to get rid of the automatic retirement age and to substitute a fairly long-term appointment for senators. This would present some difficulty, but I think it is worth further study.

• (1530)

I didn't feel quite so happy about Senator Manning's proposal that after a certain length of time our performance here should be judged by our peers. This, perhaps, reflects a certain personal misgiving about my fate if my performance here were to be judged by my peers. But apart from that, I am inclined to think that this might conceivably lead to something like a close corporation. It might lead to certain charter members of the club, if they so felt, seeing to it that only people acceptable to those charter members might remain here and that those who

made themselves a little troublesome, but whose contribution might nevertheless be very valuable, should be quietly allowed to fade into limbo—a political limbo at all events.

An Hon. Senator: A Star Chamber.

Hon. Mr. Forsey: Anyway, I felt some sympathy with the remarks that Senator Nichol made on this subject.

So, there are certain things, then, that we can do absolutely by ourselves. We can change our procedures in a variety of ways which might improve our effectiveness. I have not been here long enough to venture any suggestions on this.

As for other changes, constitutional changes, in the position of this chamber, I am afraid that people who have spoken on the difficulty of constitutional amendment are overlooking the provisions of the British North America Act, 1949, (No. 2), now incorporated in section 91 of the British North America Act, head 1. There is absolutely nothing to prevent the Parliament of Canada by itself changing the constitution of this chamber in any way it sees fit. The Parliament of Canada could pass an act abolishing this chamber with exactly the same ease, formally speaking, as it passes an act amending the Criminal Code. This is perfectly clear. Section 91 head (1) makes certain exceptions from the power of the Parliament of Canada to change the Constitution, but there is nothing whatever about the Senate, or about the constitution of the two houses, for that matter, in those exceptions, except for the maximum duration of Parliament and, possibly, something about the quorum in the House of Commons. There is nothing about the Senate whatsoever.

So, if the Parliament of Canada in its wisdom decides that the Senate should be reconstituted on some new basis, whatever it may be, an ordinary simple act of Parliament will do that. There is no necessity to go to Westminster; there is no constitutional necessity to ask for the consent of the provinces or of anybody else. On the other hand—

Hon. Mr. Connolly (Ottawa West): But you would have to have the consent of the Senate.

Hon. Mr. Forsey: Half a jiffy. Perhaps I shall meet the point that I think you are about to raise.

Hon. Mr. Connolly (Ottawa West): As I said, you would have to have the consent of the Senate in that instance.

Hon. Mr. Forsey: Yes, as for any other legislation. A bill to make the Senate elective, a bill to abolish the Senate, a bill to provide that only people with red hair could sit in the Senate—these would be passed in the same way as we would pass a bill dealing with national parks or anything else. They would have to go through three readings in both houses and receive the royal assent.

Hon. Mr. Flynn: I doubt that very much. You are not suggesting that the provinces would have no interest in this matter?

Hon. Mr. Forsey: I am coming to that. You anticipated me, Senator Flynn.

Hon. Mr. Choquette: You made a general statement and now you are coming to the specifics.

Hon. Mr. Forsey: Your razor-like and lightning intelligence has, as usual, anticipated anything that I am going to say that is at all valuable. I was about to add that, while legally there is nothing to prevent the Parliament of Canada passing any bill dealing with the Senate by the ordinary processes of legislation, nevertheless I think it is clear from the development of public opinion on this subject as enshrined, for example, both in the Fulton-Favreau Formula and the Victoria Charter—which I think on this point represented a pretty general consensus—I think it is quite clear that politically it would be impossible for the Parliament of Canada to pass legislation drastically changing the powers, the constitution or the functions of this house, without at least a prolonged consultation with the provinces, and probably it could only be done with the unanimous agreement of the provinces. I think this is just one of the political facts of life, and this, of course, might be very difficult to get. I suspect that if some minor change were proposed, there might be no great difficulty about it. For example, if a bill were put through the House of Commons reducing the retirement age to 70, I doubt very much whether the provinces would raise a great hullabaloo about it, and say, "We must all be consulted and we must all put this before our legislatures," et cetera, et cetera. But if it were anything like a fundamental reform or change in the constitution of this house or the powers of the house or the qualifications of members, I think it is quite clear that in fact there would have to be very careful consultation with the provinces, and general agreement, if not absolutely unanimous agreement. I should not want to commit myself absolutely to the view that if, for example, the province of Prince Edward Island said no, and everybody else was whoopingly in favour of the change, it would not be proceeded with. But I think it is quite certain that if any one of the larger provinces or any region objected, then the thing would simply not go through.

Now I was interested to note in Senator Croll's proposals, and in some of the other statements made in this debate itself, a considerable degree of acceptance of many of the proposals embodied in the report of the Joint Committee on the Constitution. Some honourable senators may possibly recall that when that report was under discussion here I submitted a number of dissenting opinions. On the subject of the recommendations in respect of the Senate I did not dissent, except for the one minor one about lowering the retirement age to 70. It struck me at the time that the proposals with regard to the Senate were, on the whole, very sensible. They were the result of very prolonged and vigorous discussion, and they were the result of considerable revision by the committee of proposals suggested—and I thought they were excellent proposals—by the steering committee. Some of the other members of the committee who are here will recall what took place. And when I heard Senator Hicks suggesting that something much more than a committee of this house, some much more comprehensive committee, would be necessary to develop any proposals for Senate reform, I was inclined to think that we already had the more comprehensive committee and that it had gone into this matter with great care and in depth and heard representations, as I indicated earlier, from a very large variety of people all across the country. I cannot help thinking, even

after listening to this debate and the admirable speeches that have been made, that on the whole the proposals of the Joint Committee on the Constitution stand up pretty well to criticism.

The point that Senator Hicks made about the improvement which might be expected in this chamber if 30, 40 or 50 per cent of the appointments were made by, or on the recommendation of, the provincial governments sent chills down my spine. When that proposal was originally embodied in the government's white paper some years back, I read it with the same chills running down my spine and I ventured to draw up a memorandum on the subject—unsolicited advice to the government—which got through. I managed to get it through, and as a result of that memorandum, I think I may safely say, the government asked a distinguished professor of political science from the University of Saskatchewan, Professor Norman Ward, to look into the whole subject rather carefully. I don't know what was in his report. He took very stringent oaths of secrecy and loyalty and he wrote me that he had done so and that he could not tell me much about what was going on, but that he could say that the first document placed before him marked, I think, "Top Secret" was my memorandum, which I might add had been widely circulated—there was nothing secret about it at all.

• (1540)

But I do know what Professor Ward thought of the government's proposal because he came before a joint committee on the Constitution and said it out loud with great vigour. He damned it with bell, book and candle. He was even more opposed to it than I was, if anything, and for the same reasons and more; and he put it with incomparable brilliance. I thought my memorandum was good; but when I heard, and afterwards read, Professor Ward's comments I decided he had done the thing infinitely better.

Substantially my objection to this business of having provincial governments appoint people here is that I am afraid it would mean, first of all, that we would get a terrible collection of worn-out parish-pump politicians. Sometimes it is alleged that we get those already by the appointments made by the Government of Canada. Well, even if you allow that as being true—and I should hesitate in this matter to suggest that anything of this sort has happened in recent years, although perhaps in the bad, old days of that old rascal as he is now considered by some people, Sir John A. Macdonald, it might have—it is sometimes suggested that we have had that kind of appointment already. I think we should certainly have much more of it if provincial governments were able to put their old war horses out to pasture in this place, and I am afraid they would be tempted to do it.

The other objection, I think, is that if you had provincial government appointees in here you would be allowing provincial governments which, heaven knows, are already strong enough in my opinion, and indeed perhaps rather too strong—they bestride this narrow world like a colossus, or whatever the plural of colossus may be, my classical learning is not sufficient for me to dare to attempt it—you would have these provincial governments in a position to throw monkey wrenches into the legislative machinery of the central government. This, I think, is not desirable.

Now, on the other hand, I think there is good ground for what I think is the substantial point made by Senator Hicks and others in this regard, that it would be highly desirable to have much more variety of appointments here, and highly desirable to have representatives of parties which are not represented in this place now and perhaps are represented only to a small extent in the other place, although they may have widespread support in the country.

I suggest, therefore, that the proposal made by the Constitution committee meets Professor Ward's objection and mine to provincial appointments, and meets the desire expressed by Senator Hicks and others for representation of parties which otherwise simply won't get represented here, and for representation of minorities, for preventing this chamber from becoming heavily overloaded with people from one party.

By the way, if Senator Hicks will look up the figures he will find that in 1911, after 15 years of Liberal rule, there was a very strong, or at least a very substantial Liberal majority in this house. I recall that Sir Robert Borden at that time discussed the possibility of utilizing section 26 to get extra senators appointed, and he observed, with perhaps not a very happy choice of phrase, that the Conservative government now had in the Senate "only 37 members including vacancies." I thought that was, perhaps, a trifle hard on some of his own supporters in the Senate; what *Punch* used to call "Things that might perhaps have been expressed more happily." The chamber, of course, was much smaller then than it is now. But I think even so it would be found that when the Conservatives came into office in 1911 there was a strong majority against them which, in fact, proceeded to tear the stuffing out of some of the most substantial legislative proposals at that time. Senator O'Leary could speak on this with far more authority than I. Even I can remember it and Senator O'Leary, instead of being as I was, a child, was a mature and distinguished observer and can remember exactly what took place. I know the Senate took the stuffing out of the Borden Naval Aid Bill, probably a good job at that although I didn't think so at the time. It took the stuffing out of the Highways Bill. It took the stuffing out of the Tariff Commissions Bill—threw them out.

Hon. Mr. Flynn: Are you suggesting, Senator Forsey, that the vacancies should be added to from the government supporters?

Hon. Mr. Forsey: I leave that question to answer itself.

Hon. Mr. Hicks: If the honourable senator will permit me, he either misunderstood the purport of my remarks or I made a mistake in stating them because I intended to say just that, that in 1911 there was a Liberal majority in the Senate.

Hon. Mr. Forsey: I think it was much more than that. I think you said the balance was just redressed. That is my recollection. I stand subject to correction. But my recollection is that there was a fairly strong Opposition majority in this house after the Conservatives came into office in 1911. However, that is by the way.

I think the proposal which our committee made on this subject, for having provincial governments draw up a list from which the Government of Canada might make appointments, would meet the desire expressed by Senator Hicks, which I fully share, and the desire expressed by many others, of getting more variety and more minority representation here, cutting down the overwhelming majority which so often has gone to one major party or the other, and at the same time would prevent the unfortunate results which might occur, in my judgment, if appointments were in fact really made by the provincial governments.

Senator Desruisseaux was inclined to be very leery of any kind of action being taken just now when there was a minority government. He seemed to think there was some danger that we might find ourselves pushed into having to vote, for example, on a bill coming up from the other place on the abolition of the Senate, or some very drastic and revolutionary change in the constitution of this body because, if I understood him correctly, he seemed to feel that the NDP in the other place was holding the whip hand over the government. Well, I think this danger is, shall we say, exaggerated. The NDP no doubt is in a position to say to the government in the other place, "You had better do thus and so or you lose our support." But I think if they said to the government, "Look, you have to put through a bill for the abolition of the Senate," or, "You have to put through a bill for some very drastic change in the Senate to meet our views," the government would not be obliged to pay very much attention; because surely on a matter like that it could count on the consensus of the house to object to such a measure. I can scarcely believe—whatever changes may have come over the conservatism of the Conservative Party in recent years—I can scarcely believe that the Conservative Party in the House of Commons would not come to the rescue of the government if the government refused to engage in such revolutionary activities at the behest of the New Democratic Party. Therefore, I am not much afraid that there is any serious prospect of change in the constitutional powers of the Senate. The danger of that going through because of the present minority government situation is not very great.

There are two other points which I should like to mention and they are related. One is concerning the proposal to increase the representation of the Western provinces. Senator Croll suggested that they should have 12 senators each. The committee on the Constitution suggested 10. I think that is more in line with the realities of the situation. We had a good deal of pretty stiff discussion on this matter in that committee. On the whole we were inclined to think that the proposal to increase the representation from the Western provinces to the extent we suggested was reasonable. There was a widespread feeling in the committee, I think, certainly among some members of the committee, that there is a strong sentiment of alienation in the West at the present time against the rest of the country; a strong feeling that the West is not getting its fair share of attention, its fair share of legislative benefits and so forth, from the Parliament of Canada; a strong feeling that extra representation from the West in this chamber would help to redress the balance in precisely the same way that the disproportionate representation of the Atlantic provinces, disproportionate in relation to population, helps redress the balance, or is supposed to redress the balance, in favour of that part of the country.

• (1550)

I think there may be some ground for this. It assumes, of course, that if you get such extra representation for the West in here it would in fact really be effective. This calls into question once again the whole matter of the effectiveness of this chamber now.

I was interested in the proposals of Senator Hicks about the representation for the Atlantic provinces. I can see his point, of course, but on the other hand it struck me that the mechanics of trying to work this out might be extremely difficult. You would presumably, if you dropped the representation of the Atlantic provinces from 30 to 24, have to decide who got how much among the Atlantic provinces.

I suspect that a proposal might be made, for example, to say four for Prince Edward Island out of the 24—presumably Prince Edward Island might be quite satisfied with that; four for Newfoundland—and Newfoundland might say "We ought to get more than Prince Edward Island; it is very stiff to ask us to give up two of our seats in the Senate." But if you did get agreement on that four and four, and I do not know how you could manage to get either of those provinces to accept fewer than four senators, especially in view of section 51A of the British North America Act, which provides that no province shall have fewer members in the House of Commons than it has in the Senate, but if you did get those two provinces to accept four and four, that would leave 16 to be divided between Nova Scotia and New Brunswick. Would they be inclined to accept that as a fair shake, to use a colloquial expression? Would they be inclined to say that they could reasonably be expected to have a reduction of two senators each? I am inclined to think that it might be rather difficult to get that through. There was even some proposal in the committee, I remember—I hope I am not revealing any secrets—but my recollection is that there was some proposal in the committee that in order to increase the representation from the West and not make this house too unwieldy in size we ought to cut down the representation from the Eastern provinces, Quebec, Ontario and the Atlantic provinces. There was an immediate storm of protest from the representatives at least of Quebec and the Atlantic provinces on that point, supplemented by this particular representative of Ontario. We eventually decided that it was completely impracticable to talk about reducing anybody's representation. The only way to meet the, as we felt, reasonable and legitimate demands of the West for greater representation was to increase the total number of members in this house. Well, this is merely by way of pointing out again some of the particular difficulties that arise if you are going to change the representation in this house and if you are going to consult the provinces on the matter, which I think would be politically essential. You will run into all kinds of snags and it is not going to happen in a hurry. To that extent, at least, the remarks about the difficulty of getting constitutional amendments are certainly well founded. Technically, legally, there are no real difficulties once you get the two

houses to agree; in fact there would be an enormous number of political difficulties.

One final point, with respect to the suggestion by Senator Hicks that we might be able to initiate money bills by some process or other in this house while preserving the essential prerogative of the government. I think if honourable senators will look at the report of the Joint Committee on the Constitution of Canada they will find that that also is covered. Senator Flynn, who was a notable member of that committee, nods his head and Senator Asselin does likewise. I think my recollection, therefore, must be substantially correct when it is supported by two such weighty—what is the word I want—témoins, witnesses. I find the French word first, rather than the English. This is a terrible situation for an unimpeachably English-speaking person. I think there is no question that you will find in the report of that committee a proposal that money bills should be capable of introduction here, provided they were introduced by the Leader of the Government in the Senate and provided the actual amounts were left blank, so that you could get a wide-ranging discussion of the substance of the legislation here, while preserving the right of the House of Commons to initiate the actual expenditure of money or the actual imposition of taxes. This would be one way, of course, of obviating the kind of situation that faced us at the time of the famous discussion here of the tax reform legislation.

Hon. Mr. Flynn: I think the only exception, senator, was that we talked only of appropriation bills.

Hon. Mr. Forsey: Oh, was it only appropriation bills? Yes, I stand corrected. I had forgotten that particular point, and I had not refreshed my memory as I should have done.

Hon. Mr. Asselin: Do you think the Senate should have the right to vote on financial bills, or leave the other place to vote?

Hon. Mr. Forsey: I do not think that was worked out in the proposals. I imagine that we should have to have an arrangement to allow us to vote on the general principle of the thing and vote on the actual money part of it only when it came back, as it presumably would, to us here, when we should have, presumably, our traditional right to cut down the amount, though not to raise it.

Honourable senators, I think I have now contributed all I can to this discussion and possibly much more than to some people would appear to be at all useful. I apologize for the shortcomings of it and for the "longcoming," in the sense that it has been far longer than it should have been, as I fear is apt to be my deplorable custom, but I hope I may have managed to insert a few grains of wheat in several bushels of chaff.

On motion of Senator Lang, debate adjourned.

INTER-PARLIAMENTARY UNION

SIXTIETH ANNUAL CONFERENCE, ROME, ITALY—DEBATE CONCLUDED

The Senate resumed from Wednesday, March 14, the adjourned debate on the inquiry of Senator Macnaughton, calling the attention of the Senate to the Sixtieth Annual Conference of the Inter-Parliamentary Union held at Rome, Italy, 21st to 29th September, 1972, and in particular to the discussions and the proceedings of the Conference and the participation therein of the delegation from Canada.

[Hon. Mr. Forsey.]

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I have never regretted more having agreed to speak on a subject such as this, because I have to do so at an unsuitable time and, I should say, in a somewhat unpropitious atmosphere, especially because what I have to talk about happened more than five months ago.

Moreover, I should have realized that Senator Macnaughton's report was complete, especially since he got permission to have it printed as an appendix to the Debates of the Senate, and that it contains just about all that can be said about the Canadian delegation participating in the 60th Annual Conference of the Inter-Parliamentary Union which was held in Rome at the end of September.

[*English*]

I must congratulate Senator Macnaughton for suggesting that the resolutions adopted by the Sixtieth Annual Conference of the Inter-Parliamentary Union be submitted to the Standing Senate Committee on Foreign Affairs. In my opinion that is the only way in which we can really assess the usefulness of our participation in this body. I hope that eventually the Foreign Affairs Committee, which appears to be very busy during the present session, will find time to consider the resolutions. Senator Rowe has already participated in this debate. He gave you a very business-like account of the tone and substance of the debate on the topic of drugs, for which he is to be thanked. I participated in the discussions held on two subjects, the Middle East and disarmament. I will reserve comment on the Middle East. I will be quite willing to answer questions and supply detail in committee if the committee considers this matter, but I have no desire to broach the subject here at this time. Rather, I want to deal with what was said on disarmament.

First, I want to comment on the attitude of the Warsaw Pact nations and generally of the developing nations. The Inter-Parliamentary Union is meant to encourage discussion, to stimulate an exchange of ideas, to probe differences of opinion. The idea is for each parliamentarian participating to make his own point of view known and understood. Also important is the idea that representatives of nation A should make an effort at understanding the position of representatives of nation B, and their reasons for adopting such a position.

• (1600)

All of this seems to have escaped, or to have been ignored by, the Warsaw Pact nations and also by many of the developing nations of the world. They do not seem to have understood the raison d'être of the union. They do not come prepared for a free exchange of ideas. They come to convert, not to discuss.

Many of these nations, as honourable senators are aware, have monolithic governments. Their representatives articulate only the official line, and that is what makes them so inflexible.

Western nations—the term being used to describe those nations endowed with a democratic form of government—

have delegations made up of men with various political philosophies. Discussion with such persons is not so frustrating.

The opportunity to discuss with the Warsaw Pact nations and many of the developing nations, difficult though such discussions may be, is for us a major goal in our participation. So, I suppose, I am not really entitled to say that exchanges of ideas are easier with nations of the non-communist world. That is as obvious as it is irrelevant.

The resolution on disarmament was presented by Yugoslavia. It called upon all parliaments of the world to intensify their efforts against the arms race; to ban nuclear, chemical and bacteriological weapons; to end nuclear-weapons testing; to set up nuclear-free zones in various parts of the world; to reduce armed forces, armaments and military expenditure.

In my address to the conference, I said that all Canadian parliamentarians agreed with the substance of the draft resolution. I explained that it had always been this country's position to encourage disarmament, that all initiatives, short or long term, taken with a view to effecting a reduction in the possibility of war had always met with our approval.

I found fault, however, with the preamble to the resolution. Honourable senators will find it printed on page 344 of the *Debates of the Senate* for Thursday, March 14.

It seemed to me, and I said so, that the preamble served only to confuse the issue. The title itself raised questions which I believed to be of doubtful relevance. The preamble gave the impression that we should be striving after disarmament, particularly for social and economic reasons. I could not agree with that. These considerations are important, but nonetheless secondary.

Certainly the energy expended in the arms race could be more profitably used in other directions. That goes without saying. There is no doubt in anyone's mind that the time, effort and money invested in preparing for war could be better invested in peace. That is so obvious that it is platitudinous.

What the title and preamble did not emphasize sufficiently, in my view, was that continued arms build-up might mean the suicide of humanity. I mentioned that this was the primary consideration, that we must end the arms race, because if we did not do so we might eventually succeed in exterminating mankind.

I emphasized that it should be a matter of primary concern. Nuclear holocaust is an indescribable danger hanging over our heads. Yet they were discussing the economic ramifications of a continued arms race or of its discontinuance. Sometimes things are so obvious that people forget them.

As I saw it, the conference did not pay sufficient attention to why countries felt it necessary to have ever-growing arsenals. I thought that it should have given more attention to this matter.

The movers of the resolution, and those who sought to amend it, seemed to miss the point. I would have preferred the conference to have discussed why the major powers are so paranoid, why they are obsessed with security. I should have wished the conference to have delved into the dangers of a nuclear war being started by error or miscalculation. It is quite obvious that is the main problem. Who is going to lay down arms first? Neither the NATO Alliance nor the Warsaw Pact is going to disarm unilaterally. Neither trusts the other. So long as traditional conditions of security prevail, a solution to the arms build-up and confrontation is unlikely.

Armed forces, military might—these offer no hope of success. We shall never solve our differences that way. We shall only jeopardize our existence. Another way must be found. It is my opinion that we shall never make any real headway toward disarmament until we accept the basic idea that all nations, whether super-power or otherwise, must agree to give up a small part of their sovereignty.

Conflicts between nations must eventually be submitted for resolution to a supra-national body. Compulsory arbitration is needed. A body with authority to decide upon methods of solution of international problems submitted to it, a body having the capacity to ensure that its decisions are executed—this is what we need. I am saying, in effect, that success in disarmament depends ultimately upon giving the United Nations Organization more scope and authority.

I informed the conference that we were not rejecting the objectives and the methods of procedure set down in the resolution, but I explained that I would have preferred the resolution to have demonstrated an awareness in a wider and more complete context, that the resolution not state simply that time, effort and money was wasted on the arms race and should be more profitably spent.

I would have liked to have seen more concrete steps taken toward an ultimate solution. We are still at the stage of articulating pious platitudes, and it seems to me that we should have transcended that level a long time ago.

We should devote ourselves entirely to finding practical means of bringing about disarmament. The security of nations must never again depend on military might. Once that has been achieved, the social and economic aspects of life are bound to improve for all nations.

That was the approach I took. I did not suggest any amendment for fear of adding confusion, of creating misunderstanding. However, I must say that many delegates told me afterwards that they were in agreement with the perspective I had adopted.

The Hon. the Speaker: As no other senator wishes to participate in the debate, this inquiry is considered as having been adopted.

Hon. Mr. Martin: On a question of privilege, I hope that the Speaker will take advantage of the approaching weekend to get rid of the huskiness in her speech.

Hon. Mr. Benidickson: Madam Speaker, you are working too hard.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FIFTEENTH MEETING—DEBATE ADJOURNED

Hon. John B. Aird: Honourable senators, before commencing my remarks, I should like to advise Senator Asselin that I have sent a message to the Secretary of

State for External Affairs, but I have not yet had a reply. I am unable to say at this time whether the minister will be able to appear before our Standing Committee on Foreign Affairs next Tuesday, which was the date I indicated in my message to him.

Honourable senators, I apologize for commencing my remarks at this late hour, but I do think that I have a reasonably important message to place on the record.

During the past several weeks I have been privileged to attend meetings in four major cities, namely, Brussels, with the Senate Standing Committee on Foreign Affairs; Paris, with the Committee of Nine; Amsterdam, attending the Europe-North America Conference; and Washington, for the meeting of the Canada-United States Interparliamentary Group. Therefore it seems appropriate and timely that I try to draw together some thoughts and give my own personal subjective reaction to the various meetings, to endeavour to interpret some common themes, and to convey to honourable senators some feeling for the atmosphere that prevailed.

I might say that at three of those four meetings, my distinguished colleague Senator Grosart was also in attendance and, as always, made a most useful contribution.

It may also be particularly timely to make my remarks, because President Nixon has now presented to Congress his long-awaited trade bill and has asked it to give him sweeping tariff-cutting and tariff-raising powers that will make the United States a tough no-bluff bargainer in forthcoming international multilateral trade negotiations. In this regard, honourable senators, might I refer you to the issue of the *Globe and Mail* of April 11, 1973, and the two articles therein by Ross H. Munro. The first article carries the headline, "Nixon seeks power to fight no-bluff battle in trade talks," and the second headline reads, "Nixon's trade objectives complement Canada's aims."

• (1610)

I do not presume to be able to present to you any firm conclusions or any instant solutions for the problems that are facing the various nations of the Western World at the present time. In fact, I think I probably raise more questions than I give answers. However, it seems clear that certain themes and certain attitudes are emerging and we, as Canadians, would be well advised to pay attention to them and to try and govern ourselves accordingly.

There seems to be a valid consensus that it is in Canada's best interest that the industrialized world should move to as free and liberalized a trading condition as is possible. When in Brussels, we once again reiterated this position, pointing out that Canada is truly one of the world's great trading nations and that more than 20 per cent of our gross national product is made up of foreign trade. Therefore, we, as a nation, have much to gain from the lowering of trade barriers and, conversely, we have much to lose in the event that the world turns itself into protectionist trading blocs. In other words, any polarization or turning inward would not seem to be in the best interest of Canada. And yet, it is only fair to say there is considerable evidence that such a mood of polarization is alive and prospering in the European Community and in the United States as well.

When we met with Sir Christopher Soames, the minister directly responsible for foreign affairs in the European Community, he said, and I quote: "Europe will speak with one voice in this area." And his point of view was confirmed by other senior officials of the European Community as they make preparations for the vitally important forthcoming GATT trade negotiations which commence in Tokyo in the fall of 1973 and which will continue at Geneva in 1974.

The question is: Will this one voice be a strongly protectionist one or will it speak in Tokyo with a view to lowering tariffs and liberalizing trade restrictions?

Equally, senators and congressmen in Washington stated, when we presented the case for liberalization of trade, that before one becomes a statesman one has to be elected. In other words, domestic United States considerations require their prime attention and their action before the economic health of the world could or would be considered.

Might I say, therefore, that my observation of the atmosphere of the European Community and the United States is one where there is considerable evidence of turning inward, and the mood may very well be one of confrontation rather than a mood of co-operation.

Now, honourable senators, given the foregoing premise of the desirability of the liberalization of world trade, and given the apparent prevalent atmosphere in the European Community and the United States, what factors are running contrary or counter to this mood of confrontation?

I should like to discuss these factors which seem to dictate co-operation rather than confrontation under two headings: First, the absolute necessity for long-term international monetary reform and the need for some common international energy policy; and, second, President Nixon's proposed trade bill.

Under the first heading I have suggested that there are two areas, namely, international monetary reform and energy, where the average person can clearly understand the results of world disruption or disorder. I do not suggest for a moment that the average person—or the average voter, for that matter—can understand the conplexities of the international monetary system, but I do suggest to you that the average person is very concerned about the buying power of his dollar, or his pound, or his franc, or his mark.

In similar fashion, the average person may not understand the complexities of world problems as related to the supply and demand of energy. But, believe me, the average person does understand when it is suggested that there will not be enough oil to heat his home or to drive his car, and he really understands the suggestion that he will not be able to buy that same oil because very soon the price for it will be too exorbitant. Therefore, in order to meet the demands of public will, I suggest to you that the politicians of every concerned country may very well be forced to become statesmen to deal with these global problems. In other words, I suggest that there is now emerging evidence of a very real and increasing concern on the part of the average person about the buying power of his currency and the prospect that there may be a world fuel shortage. As a result, there may very well be

required of the politicians of every nation an acknowledgement of the need for submission of national interest to the discipline of international surveillance and monitoring. Might I suggest that these two areas, namely, monetary reform and the energy crisis, are areas which transcend national or regional boundaries and are common denominators of survival.

What, then, are the prospects for some world order in these two salient fields? Perhaps there is some hope for optimism as world leaders wrestle with world monetary problems in the International Monetary Fund. It seems clear that negotiations looking towards the establishment of orderly adjustment mechanisms for exchange rate parities may soon be undertaken. Hopefully, these monetary negotiations will devise interim procedures to ensure that disruptive shifts in countries' composition of reserves not take place while the role of SDR's as a reserve currency is strengthening and while the dollar and gold diminish in importance as monetary reserves.

With regard to the energy crisis—which, of course, has a spillover into the monetary field—it seems clear that both the Europeans and the Americans, and, for that matter, the Japanese, have an interest so closely allied in that they are presently net importers of petroleum today—and in that they will all be overwhelmingly net importers of petroleum by the year 1980—that they will simply have to get together to establish some rules in order to escape from the disorder which is so much in evidence at the moment. This disorder can only increase as the OPEC countries, the Organization of Petroleum Exporting Countries, continue to be in such a dominant position. This, of course, raises problems not only of the volume of the supply of oil but also the security of delivery of the oil, and also presents the overwhelming dollar position which the OPEC countries presently have, and which will substantially increase in the next decade.

Will the United States stand by and not seek a world order in energy when the supply and the security thereof is in jeopardy, and where the dollar overhang continues to be in existence and continues to be a source of incredible disruption in world monetary markets as these tremendous sums of money held by the OPEC rulers move from currency to currency seeking the best return on capital available?

In similar fashion, will the European Community and Japan stand by and watch this scenario develop? The answer clearly is that they will not.

Therefore, honourable senators, I suggest that although there is fundamental evidence for pessimism, there is also some emerging evidence for optimism as we proceed to try to press for Canada's best position, namely, that of a nation seeking trade on as free a basis and on as multilateral a basis as possible.

Secondly, under my heading of factors that may dictate co-operation rather than confrontation, I should like to refer once again to the Nixon trade bill that is now before Congress. I have obviously not seen or studied this bill, but it is fully reported in the *Globe and Mail* of April 11. I would like to quote from that article:

• (1620)

> The President's message to Congress left little doubt that his immediate main aim is to convince Japan and Europe to reduce their non-tariff barriers against U.S. products and lower their barriers against U.S. agricultural goods.

Further quoting from the same article:

> The political thrust of the President's message was to ask for a big stick for the United States to use in foreign trade—which the protectionists in Congress should be happy to give him—while re-emphasizing his commitment to freer and fairer and expanded world trade—which will be applauded by U.S. corporations and other interest groups favoring liberalized trade.

And a further quotation:

> Fortunately, our major trading partners have joined us in a commitment to broad, multilateral trade negotiations beginning this fall. These negotiations will provide a unique opportunity for reducing trading barriers and expanding world trade.

Is there some comfort for Canada in the position taken by the President? I suggest to you that there probably is some comfort, inasmuch as the President's trade position apparently backs up recent statements by Canadian Government officials that the interests of the United States and Canada will coincide to a great extent in the forthcoming round of multilateral trade negotiations. At least we have a commitment from the President that he is dedicated to the principle of multilateral trade liberalization, which is so fundamental to the world scene. While it is true that he is seeking very wide discretionary and sweeping tariff-cutting and tariff-raising powers, I think that it can be persuasively argued that this may very well be in Canada's best interest.

I have not touched on other areas of commonality of interest, but I would be remiss if I did not state that aid to developing countries is still very much a concern of politicians in each of the cities that I have referred to, or that there is not a worldwide concern about ecology and pollution, because there is such a concern. But what I have endeavoured to do today is to draw to your attention that the imperative necessity for permanent long-term monetary reform, and the achievement of some semblance of world order in the energy field, will dictate to the leaders of the Western World a requirement for thinking on a global rather than on a national or regional basis.

I suppose it is very easy to say that now is the critical hour when one is dealing with almost any problem. But I do believe that the stakes at this moment in history are extremely high, and that any return to the protectionism of the 1930s clearly will have disastrous effects and must be avoided at almost any cost. As I said earlier, unfortunately this mood of protectionism is alive and apparently well, and should be fought with all the resources that Canadians have available to them.

I must conclude by saying that the challenges seem to be clear. Still, there is emerging evidence for some solutions on a global basis in certain fundamental areas, and these solutions should be sought with all possible vigour. It is truly a time for skilled and dedicated leadership.

It seems clear that President Nixon is seeking very wide powers, which could enable a world-wide liberalization of trade and yet still meet the demand of a Congress which probably will be protectionist in mood. Therefore, I think that it is fair to say that the United States position is firming up, and I think that I am in agreement with Mr. Munro of the *Globe and Mail*, to whom I referred earlier, when he says that the long-awaited Nixon trade bill presents Canada with more opportunities and fewer dangers than expected.

The question, therefore, gets to be: What will be the attitude of the political leaders of the European Community, and of Japan, and of other concerned countries, as they go to Tokyo for the GATT meetings this fall? Will there be a common purpose, and will the dangers of a divided world be averted by the achievement of an international purpose transcending national or regional interests?

That is the substance of my address, honourable senators. I would like now to table the report of the Fifteenth Meeting of the Canada-United States Interparliamentary Group, and ask that it be printed as an appendix to the *Debates of the Senate* of this day.

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

Hon. Senators: Agreed.

(*For text of report, see appendix "B", pp. 527-529.*)

On motion of Senator Grosart, debate adjourned.

OFFICIAL LANGUAGES

PUBLIC SERVICE EMPLOYMENT PRACTICES—NOTICE OF MOTION

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, I wish to give notice of the following motion for and on behalf of the Honourable Senator Martin:

> That this house approves certain measures to be taken by the Government to ensure that employment practices within the Public Service are in keeping with the spirit and terms of the Official Languages Act.

I have, of course, limited the motion to its substance, although I am giving the full text to Madam Speaker, but I want to assure this house that this motion is in all respects similar to the one appearing on the two days' Notice Paper of the other place in the name of the Prime Minister under Government Notices of Motions.

Perhaps I might be permitted to add the following. As honourable senators realize, this is a substantive motion requiring one day's notice under rule 45(1)(h). It will appear in the routine *Proceedings of the Senate* on Monday next and may be proceeded with at any time thereafter. However, since, as I mentioned earlier, our short week next week will be taken up almost entirely with consideration of the income tax bill, which we expect will be coming to us from the other place over the week-end, and since other public bills may follow from the other place, it is not anticipated that the debate on this motion will be initiated until after the Easter recess.

The Senate adjourned until Monday, April 16, at 8 p.m.

APPENDIX "A"

(*See p. 504.*)

NATIONAL FINANCE

APPROPRIATION ACT NO. 1, 1973—WRITTEN OPINION FROM DEPARTMENT OF JUSTICE

AUTHORIZING SECTION

Clause 2 of Bill C-141 provides as follows:[1]

"$1,290,-790,402 granted for 1972-73

2. From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole one billion, two hundred and ninety million, seven hundred and ninety thousand, four hundred and two dollars, towards defraying the several charges and expenses of the public service, from the 1st day of April, 1972 to the 31st day of March, 1973, not otherwise provided for, and being the total of the amounts of the items set forth in the Supplementary Estimates (A) for the fiscal year ending the 31st day of March, 1973, as contained in the Schedule to this Act $1,290,790,402

Provided the amounts hereby authorized to be paid and applied in respect of these items shall be deemed to include and not be in addition to the amounts authorized for such items by the special Warrants issued by the Governor in Council of October 5, 1972 (P.C. 1972-2487), November 16, 1972 (P.C. 1972-2671), December 14, 1972 (P.C. 1972-3012) for $234,000,000 $39,484,000 and $317,-025,000 respectively."

Vote L12a at page 5 of the Bill provides for a Winter Capital Projects Fund, to be in the nature of a scheme of loans to provinces, provincial agencies and municipalities in the 1972-73 to 1975-76 fiscal years inclusive, as more particularly described and qualified in the remainder of the wording of the vote.

BACKGROUND OF LEGISLATION

In *Comms of Income Tax v. Pemsel* [(1891) A.C. 531, 590, 591] Lord Macnaghten commented"... when you find legislation following a continuous practice and repeating the very words on which that practice was founded, it may perhaps fairly be inferred that the legislature intended those words to be understood in their received meaning. And perhaps it might be argued that the inference grows stronger with each successive re-enactment". (Craies on Statute Law, 7th Ed., p. 132.)

One or more Appropriation Acts have been enacted by Parliament almost every year since 1867 with very slight differences in the "format" of the Acts. It would be unreasonable, therefore, to interpret the latest Appropriation Act without regard to the legislative development of its form. It is only an added argument to use this development of the present form of the Appropriation Act to infer a legislative intent by way of a "received meaning". But it helps to that end as well as to understanding how great is the influence of "format" in the Appropriation Act.

There is, therefore, attached to this opinion, a short legislative history[2] of the development of the format of the preamble, authorizing section, schedule and application section (section 3 of Appropriation Act No. 1, 1973).

There were three successor legislatures to the legislature of the Province of Canada, the Federal Parliament and the legislatures of Ontario and Quebec. Their Supply or Appropriation Acts bear indications of common ancestry today in the preamble only, as both Ontario and Quebec have developed the schedules of appropriated votes along different lines from the Parliament of Canada.

In the century following confederation, Parliament has slowly expanded upon the original schedules to include more and more items of legislation in the schedules to the Supply Bill inherited from the earlier legislature.

The development seems to follow a pattern which can be described as follows:

First Phase:

Early Development: (1867-1901) The Supply Bills contained numerous "notwithstanding the Civil Service Act" phrases[3] and these enactments dealt with particulars of pensions, awards, etc., for public servants.

Second Phase:

Middle Development: (1902-1940) While this is a purely arbitrary division, it seems that this period led into a different type of legislative item in the schedules, even after the specific reference in the authorizing section to "other purposes in the said schedule mentioned" had ceased to be part of that authorizing section. In this period began the modern practice of setting lengthy conditions, etc., in the items (e.g., 1925, chapter 56, Appropriation Act No. 3, Schedule A at page 338;[4] Vote No. 321, 1930, c.2, Schedule A at page 8.[5])

Third Phase:

Modern Development: (1940-1973) About the mid-1940's the $1 dollar item[6] began to appear (1944-45, c. 52, Schedule A, Vote No. 51, p. 469) in much the same form as we know it today.

During the modern period, the format of the Appropriation Act continued as it was finally settled on in 1901, but the schedules continued to expand as though the pre-1901 reference to schedules were still contained in the authorizing section.

In 1958 the format was changed by the addition of what is now section 3 in Bill C-141[7] (Appropriation Act No. 1, 1973). Two things that had been taken for granted all these intervening years were expressly stated: namely, (a) an amount appropriated can be spent only for the purposes and subject to the terms specified in the item, and (b) legal effect was expressly given to payments as worded in the item (the items that provide that payments may be made "notwithstanding" the provisions of some statute, or that a payment is to have a certain legal effect) which had not been stated in the format of the Supply Acts since 1901 but implied therefrom since that date. Any legal defects arising out of an interim Appropriation Act was removed by a new subsection (2) which was added in 1958 to give retroactive effect to such items in interim Appropriation Acts.

For convenience of reference, the points upon which an opinion is sought have been set out in the form of separate questions—Question 1(1) and (2); and Question 2—and each of these Questions will be followed by an Answer, and then by a Reasoning for the Answer.

For the questions as put by members of the Committee, see pp. 2-14 to 2-16 of the Proceedings of the Standing Senate Committee on National Finance (Issue No. 2) Friday, February 23rd, 1973.[8]

QUESTION 1(1):

1. (1) Since section 2 of the *Appropriation Act No. 1, 1973* states in effect that the sum therein specified may be spent from the 1st day of April, 1972, to the 31st day of March, 1973, must not the sum mentioned in Vote No. L12a of the Schedule to that Act for the Winter Capital Projects Fund be spent within that period or lapse at the end of that stated period?

ANSWER TO QUESTION 1(1):

Assuming the correctness of the premises advanced herein under "Reasoning for Answer to Question 1(1)" (see next page) the answer to Question 1(1) above is *no*.

The Act itself, which includes the item set out in Vote L12a of the Schedule, provides that the amount is appropriated for a period of three fiscal years. By virtue of the clear language of section 3 of the Act, namely, "and the payment or application of any amount pursuant to the item (i.e., L12a) has such operation and effect as may be stated or described therein", the language of section 2 must be read as subject to the exception set out in the later provision of L12a, which, it should be noted, is described by subsection 3(2) as having been "enacted".

Section 30 of the *Financial Administration Act*[9] does not, on this view, apply to L12a in respect of the financial year 1972-73 since it refers to the balance of an appropriation granted *for a fiscal year* that remains unexpended at the end of the fiscal year. In this case, by enactment of Parliament, what remains unexpended at the end of the relevant period cannot be determined until the end of fiscal year 1975-76. (Section 30 may be adopted without straining to the instant case by application of subsection 26(7) of the *Interpretation Act*, i.e., words in the singular include the plural and vice versa.)

Section 20 of the *Financial Administration Act*, which is a provision of general application providing that all estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year, is superseded by the "enactment" of item L12a in the instant case.

REASONING FOR ANSWER TO QUESTION 1(1):

Premise 1: A statute should be construed as a whole so as, so far as possible, to avoid any inconsistency or repugnancy between one section and other parts of the statute. (See Hals. Laws of England, 3rd Ed., Vol. 36 at p. 395 and the cases noted therein under Note (a), p. 395.)

Premise 2: The division of a statute into sections and schedules is an arbitrary matter of convenience and ought not affect their construction (*op. cit.*, at p. 395, and p. 374, para. 551). A schedule in a statute is a mere question of drafting, a mere question of words; it is as much an enactment as any other part. (A.G. v. Lamplough (1878) 3 Ex.D. 214, per Britt, L.J.)

Premise 3: If doubt exists as to the meaning of a particular enactment, recourse may be had to the preamble to ascertain the reasons for the statute, and hence the intentions of Parliament.

Premise 4: (1) Whenever there is a particular enactment and a general enactment in the same statute, and the latter, taken in its most comprehensive sense, would overrule the former, the particular enactment must be operative, and the general enactment must be taken to affect only the other parts of the statute to which it may properly apply. (*Pretty v. Solly* (1859) 26 Beav. 606, 610, Romilly M.R. See Craies on Statute Law, 7th Ed., at p. 222.)

(2) An Act is made for the purpose of making a change in the law or for the purpose of better declaring the law, and its operation is not to be impeded by the mere fact that it is inconsistent with some previous enactment. It follows that if one statute enacts something in general terms and later another statute is passed on the same subject, the subsequent statute will usually be considered as repealing by implication the former. But prior enactments may be rendered inoperative without being actually repealed. (Craies, *op. cit.*, pp. 373-4.)

Premise 5: The rule that if the enacting part of the statute cannot be made to correspond with the schedule, the latter must yield to the former,[10] applies to the matters ordinarily relegated to schedules[11] and would not apply in this case as the earlier Supply Bills excepted the rule, and that rule is now avoided expressly by the wording of section 3 of the *Appropriation Act*.

On the basis of these premises one is required to consider section 2 of *Appropriation Act No. 1, 1973*, in relation to the preamble, section 3 and the relevant item (vote L12a) of the Schedule. That item provides authority extending over three fiscal years for the expenditure of moneys for a described project (Winter Capital Projects Fund—W.C.P.F.). Section 3 provides, not only that the amount be paid or applied only for the purpose and subject to the terms of that item, but more importantly, for our purposes, that the "payment or application of any amount pursuant to the item has such operation and effect as may be stated or described therein". Subsection (2), which appears to overlap that provision in respect of the item, goes on to say none the less that "each item in

the Schedule shall be deemed to have been enacted by Parliament". This would seem to be conclusive of the question.

Each item of the Schedule is an enactment of Parliament, the schedule is part and parcel of the Act, and the item provides for three fiscal years for the W.C.P.F. and it is to have such operation and effect as may be stated or described in the item.

One need not look to the preamble to decide the issue, but if one looks to it, one finds that the "sums hereinafter mentioned are required to defray certain expenses of the public service of Canada, not otherwise provided for, for the financial year ending the 31st day of March 1973, and for other purposes connected with the public service".

Moreover, if one reviews the history of this kind of legislation in the various Parliaments since Confederation one will see that the preamble describes a situation that used to be provided for in the ancestor provision of section 3. The legislative intent derived from a consideration of section 3 and Scheduled item, is not only consistent with the preamble, it is also consistent on the argument of a "received meaning" of the legislation.

It is therefore concluded that the fiscal period set out in the item expressly is the period that governs and that the fiscal year described in section 2 does not govern in the case of the W.C.P.F. item.

The requirement that an amount appropriated for a specific fiscal year lapses at the end of that period, to the extent that it is unexpended, arises not from any express provision to that end in the *Appropriation Act*, but as a result of section 30 of the *Financial Administration Act* which reads:

"Lapsing of appropriations

30. The balance of an appropriation granted for a fiscal year that remains unexpended at the end of the fiscal year shall lapse, except that during the thirty days immediately following the end of the fiscal year a payment may be made under the appropriation for the purpose of discharging a debt payable for work performed, goods received or services rendered prior to the end of the fiscal year or payable under any other contractual arrangement prior to the end of that year, and such payment may be charged in the accounts for the fiscal year."

Section 30 above refers to an amount *granted* for a fiscal year. In relation to the express enactment in Schedule item Vote L12a of the *Appropriation Act No. 1, 1973*, that section may be read in either of two ways, each leading to a similar conclusion.

Firstly, it does not apply to the instant problem because the appropriation in question is for a three-fiscal-year period. Therefore, the amount provided by the item does not lapse under section 30 of the *Financial Administration Act* at the end of the fiscal year 1973.

Alternatively, applying subsection 26(7) of the *Interpretation Act*, that words in the singular include words in the plural, section 30 of the *Financial Administration Act* would not require lapsing until the end of the fiscal years described in Vote L12a. Therefore there would be no lapsing at the end of the fiscal year 1973 under section 30 of the *Financial Administration Act.*

QUESTION 1(2):

1. (2) Is not Vote L12a, which provides for the fiscal years 1972-73 to 1975-76, in conflict with the expressed period for spending the total amount appropriated for the year 1972-73 as set out in section 2 of the Act?

ANSWER TO QUESTION 1(2):

Again assuming the correctness of the premises set out under "Reasoning for Answer to Question 1(1)" (See page 4 hereof) the answer is that, while, on a reading of section 2 alone with Vote L12a of the Schedule, there would appear to be an inconsistency between them, one cannot read that section alone but must read it with the rest of the Act, including section 3, Schedule and preamble.

Read in such a way it becomes clear that section 2 must be modified to conform to the express provision that there may be paid or applied a sum "for other purposes connected with the Public Service", the payment or application of which "has such operation and effect as may be stated or described" in the "enactment", item L12a.

The "received meaning" of section 2 or its equivalents is based on the "ghost" of express words which were contained in section 2 provisions prior to 1901, namely "and for the other purposes in the said Schedule mentioned". The operational effect of that phrase was inserted in section 3 or equivalent sections in Appropriation Acts since 1958 but the phrase itself has not expressly reappeared in the section 2 provisions of Appropriation Acts.

Therefore the better answer to Question 1(2) seems to be that there is no legal conflict between section 2 and Vote L12a whatever semantic difficulty appears from the words of section 2 read alone.

REASONING FOR ANSWER TO QUESTION 1(2):

Section 2 is enacted in relation to the Appropriation Act generally when it refers to the fiscal year 1972-73. Item Vote L12a is specifically related to a stated three fiscal years. Section 2 is therefore, on the premises and conclusions set out above in the "reasoning for Answer to Question 1(1)", modified, so far as W.C.P.F. is concerned, and there is no legal conflict between the two enactments.

QUESTION 2:

2. Is section 20 of the *Financial Administration Act*, which provides that "All estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year," amended or repealed by the "non-lapsing" votes in an Appropriation Act, that is, the votes that

(a) make special provision for some matter under a $1.00 item of expenditure, or

(b) make provision for a special matter "notwithstanding" the provisions of some other named Act?

ANSWER TO QUESTION 2:

It would seem that section 20 of the *Financial Administration Act* is neither amended nor repealed by such enactments of Appropriation Acts as are described in

Question 2; that section speaks of estimates not amounts appropriated by Parliament.

The "non-lapsing" items acquire that characteristic by virtue of their inclusion in a statute, not by mention in an estimate.

REASONING FOR ANSWER TO QUESTION 2:

Section 20 of the *Financial Administration Act*, "all estimates of expenditures submitted to Parliament shall be for services coming in course of payment during the fiscal year" originally, in 1864 (c. 6, section 11), was related to the duty of a Board of Auditors to prepare and submit to the Minister of Finance the public accounts to be annually laid before the Parliament of the Province of Canada. In 1867, in an Act "respecting the collection and management of the revenue, the auditing of the public accounts and the liability of public accountants" (R.S., 1867, c. 5) sections 27 and 28 provided that the Board of Audit was to prepare and submit the public accounts to be annually laid before Parliament via the Minister of Finance and that these accounts include the period between 30th June of one year and 30th of June in the next year, the financial year, and that "all estimates submitted to Parliament shall be for the services coming in course of payment during the financial year".

In the same Act there was a provision permitting the Governor in Council to alter the period for accounting (R.S., 1867, c. 5, s. 29).

Section 20 of the *Financial Administration Act* originated as a direction concerning the preparation of estimates and was neither intended by Parliament to be binding on itself nor to be binding on the Ministers who bring into Parliament Supply or Appropriation Bills for the consideration of Parliament.

Obviously section 20 cannot be taken to have been intended to bind future parliaments—to do so would be constitutionally unreasonable.[12] Appropriation Acts frequently provide specifically for more than one fiscal year—even in the Act of the Province of Canada in 1856, a life-time pension was granted in a Schedule to a Mrs. McDonell,[13] and in 1872 the allowances for drill instruction were expressly extended into the next fiscal year by an item in the schedule to a Supply Act of that year.[14]

There have been so many instances of appropriation items extending beyond one fiscal year since 1867, one may conclude that this view is the only one consistent with legislative practice of long standing.

In the result one must conclude that section 20 of the *Financial Administration Act* has no application to either of the "non-lapsing" types of appropriation items referred to in Question 1(2). It is neither amended nor repealed in those cases but merely non-applicable in respect of Parliament or Appropriation Bills brought to Parliament.

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[1] See copy of Bill C-141, attached hereto as Exhibit A.

[2] See "Legislative History of Wording of Various Supply Bills From 1856 to 1973" attached hereto as *APPENDIX A*.

[3] See, for example, Schedule B to the Supply Bill of 1894, S.C., 1894, c.1, p. 35, attached hereto as Exhibit B.

[4] See, for example, Vote 1, copy of which is attached hereto as Exhibit C.

[5] See Exhibit D attached hereto.

[6] See Exhibit E attached hereto.

[7] See Exhibit A, page 2.

[8] See Proceedings of Standing Senate Committee on National Finance, Friday, February 23/73, attached hereto as Exhibit F.

[9] See copy of Financial Administration Act, R.S., 1970, c. F-10, attached hereto as Exhibit G.

[10] Re *Baines* (1840) 12 A. & E., 227 per Lord Cottenham. And see also *Dean v. Green* (1882) 8 P.D. 79 per Lord Penzance. "It would be contrary to the principles on which courts of law construe Acts of Parliament to enlarge the conditions of an enactment by reference to words given in a schedule."

[11] See Hals. Laws of England, 3rd ed., Vol. 36, p. 374, Note (R) for a description of such schedules.

[12] Acts of Parliament cannot curtail the powers of future Parliaments since it is a maxim of the common law that "Acts derogatory to the power of subsequent Parliaments bind not". (See 1 Bl. Com. 160; Hals. Laws of England, 3rd Ed., Vol. 7, p. 190, Note (i); *op. Cit.*, Vol. 28, p. 300, Note K: "An existing Parliament cannot, however, bind a succeeding Parliament.")

[13] See Exhibit A, p. 326.

[14] See Exhibit D, p. 19.

APPENDIX "B"

(*See p. 522.*)

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

The Fifteenth Annual Meeting of the Canada-United States Interparliamentary Group took place in Washington and White Sulphur Springs, West Virginia, April 4-8, 1973.

The United States delegation was led jointly by Senator Gale W. McGee (Wyoming) and Congressman Thomas E. Morgan (Pennsylvania). In addition to the two Co-Chairman, the delegation consisted of the following members: from the Senate, Honourable Edmund S. Muskie (Maine), Honourable Hubert Humphrey (Minnesota), Honourable James Abourezk (South Dakota), Honourable Dick Clark (Iowa), Honourable Joseph R. Biden, Jr. (Delaware), Honourable J. Bennett Johnston (Louisiana), Honourable George D. Aiken (Vermont), Honourable Jacob K. Javits (New York), Honourable Carl T. Curtis (Nebraska), Honourable Ted Stevens (Alaska), Honourable William B. Saxbe (Ohio); and from the House of Representatives, Honourable Harold T. Johnson (California), Honourable William J. Randall (Missouri), Honourable Peter N. Kyros (Maine), Honourable Samuel S. Stratton (New York), Honourable Lloyd Meeds (Washington), Honourable John C. Culver (Iowa), Honourable Robert C. McEwen (New York), Honourable Frank Horton (New York), Honourable Larry Winn, Jr. (Kansas), Honourable Pierre S. du Pont (Delaware), Honourable Richard Mallary (Vermont), Honourable Claude Pepper (Florida), Honourable Henry P. Smith, III (New York).

The Canadian delegation was led jointly by the Honourable Muriel McQ. Fergusson, Speaker of the Senate and Mr. Robert McCleave, M.P., Deputy Speaker of the House of Commons. The other members were: from the Senate, Honourable John B. Aird (Ontario), Honourable Arthur Laing, P.C. (British Columbia), Honourable Maurice Lamontagne, P.C. (Quebec), Honourable L.-P. Beaubien (Quebec), Honourable Allister Grosart (Ontario), Honourable M. Grattan O'Leary (Ontario); and from the House of Commons, Mr. J.-J. Blais, M.P. (Ontario), Mr. Herb Breau, M.P. (New Brunswick), Mr. A. Cyr, M.P. (Quebec), Mr. B. Danson, M.P. (Ontario), Mr. M. Roy, M.P. (Quebec), Mr. J. Trudel, M.P. (Quebec), Mr. R. Whicher, M.P. (Ontario), Mr. Walter Baker, M.P. (Ontario), Mr. J. Gillies, M.P. (Ontario), Honourable A. Hamilton, P.C., M.P. (Saskatchewan), Honourable P. Hellyer, P.C., M.P. (Ontario), Mr. D. MacDonald, M.P. (Prince Edward Island), Mr. J. Patrick Nowlan, M.P. (Nova Scotia), Mr. Frank Oberle, M.P. (British Columbia), Mr. A. Brewin, M.P. (Ontario), Mr. M. Saltsman, M.P. (Ontario), Mr. G. Caouette, M.P. (Quebec).

The agenda for the discussions was worked out by agreement between the two delegations. Discussions were held as usual in two Committees, one dealing with Trade and Monetary Affairs and the second with Energy, Environmental and Security Matters. The following topics were discussed in each committee:

Trade and Monetary Affairs
—Multi-lateral Trade
—International Monetary Reform
—Industrial Policies and International Trade
—Foreign Ownership Policies

Energy, Environmental and Security Matters
—Great Lakes Water Levels and Pollution
—Air Pollution
—National Energy Policies and Gas and Oil Pipelines
—Securing Peace in Indo-China
—Nature and Conduct of Canadian-American Relations

Briefing sessions on the agenda topics were organized by the Inter-Parliamentary Relations Branch in co-operation with the Parliamentary Centre for Foreign Affairs and Foreign Trade over the four weeks preceding the meeting. The delegates had meetings with officials of the Departments of External Affairs, Energy, Mines and Resources and Industry, Trade and Commerce, and the Environment.

Opening Plenary

The Fifteenth Meeting was formally opened by the four co-chairmen in the historic Old Supreme Court Chamber at the Capitol on Thursday morning, April 5. Following speeches by the co-chairmen, the delegates were addressed by Mr. Kenneth Rush, Deputy Secretary of State. They then divided into their respective committees for the discussions which occupied the remainder of that day and concluded shortly after noon on Friday, April 6.

Committee I

The Committee on Trade and Monetary Affairs was under the joint chairmanship of Senator McGee and Mr. McCleave. Representing the U.S. Congress were: Senators James Abourezk, George Aiken, Jacob Javits, Carl Curtis, William Saxbe and Representatives Peter Kyros, John Culver, Larry Winn, Pierre du Pont, Richard Mallary, Claude Pepper, Henry P. Smith III. Representing the Canadian Parliament were: Senators John B. Aird, Maurice Lamontagne, P.C., L.-P. Beaubien, Allister Grosart, M. Grattan O'Leary and from the House of Commons: Messrs. Herb Breau, M.P., Barnett Danson, M.P., Jacques Trudel, M.P., Ross Whicher, M.P., Walter Baker, M.P., James Gillies, M.P., Hon. Paul Hellyer, P.C., M.P., Max Saltsman, M.P. and Gilles Caouette, M.P.

Report of Committee I: Trade and Monetary Affairs

The discussion was directed towards four principal issues: multilateral trade, international monetary reform, industrial policies and international trade and foreign ownership policies.

In considering questions arising out of ongoing multilateral trade negotiations, delegates from both Canada and the United States were of the view that interdependence of Canadian and United States interests should be paramount to bilateral irritants. Existing frictions, such as they were, should be resolved so as to eliminate their effect on the broader mutual interests in multilateral issues. Canadian representatives stressed the need for a major conversion of the secondary manufacturing sector within Canada as well as a more rational use of the country's known natural resources. United States delegates emphasized the unfavourable United States balance of payments situation, the domestic pressures for protectionist policies and the emerging energy crisis. In addition, there was some discussion of the desirability of United States-Canadian co-operation vis-à-vis other trading blocs.

International monetary reform was briefly discussed. The Canadian delegation favoured a pragmatic approach to revision of the international monetary system, flexibility of the exchange system and further development of special drawing rights. The U.S. delegation underlined the need for co-operation in the continuing balance of payments issue and raised the question of the desirability of the principle of fixed exchange rates.

In connection with industrial policies and international trade, Canadian representatives outlined the Canadian regional development program and emphasized the need for Canada to both develop and decentralize its industrial sector. The Canadian delegation expressed the hope that this program would not develop into a trade irritant. The Michelin Tire case and the Automotive Parts Agreement were also discussed.

On the subject of foreign ownership policies the Canadian delegation explained the implications of the recently proposed Foreign Investment Review Act which is designed to regulate foreign investment both in the form of takeovers and in the establishment of new foreign-controlled businesses in Canada. Several members of the United States delegation commented on the role of multinational corporations in foreign countries and it was agreed that the principle of "corporate responsibility" is an important element in conducting business abroad.

Probably the most significant consensus which emerged from the subjects discussed during the deliberations of Committee I was that the U.S. and Canada should "speak with one voice" in dealing with multilateral trade matters, although it was generally agreed that neither country should lose its sense of perspective with respect to minor trade problems.

In this connection, members of both delegations emphasized that bilateral trade problems should not be allowed to obscure our fundamental interest in bringing about a successful solution to major international trade issues of mutual concern to both countries.

This is not to say that Canada and the United States should not continue to increase their efforts to establish more effective measures to minimize problems on a bilateral basis. What is more important, however, is the necessity for the United States and Canada to concentrate on our overall common interests and cooperate in establishing a united front for the purpose of dealing with other major trading blocs on a world-wide basis.

Committee II

The Committee on Energy, Environmental and Security Matters was jointly chaired by Representative Morgan and Speaker Fergusson. Representing the United States Congress were: Senators Edmund S. Muskie, Hubert Humphrey, J. Bennett Johnston, Dick Clark, Joseph R. Biden, Jr., Ted Stevens, and Representatives Thomas E. Morgan, Harold T. Johnson, William J. Randall, Samuel S. Stratton, Lloyd Meeds, Robert C. McEwen, Frank Horton. From the Canadian Parliament were Senator Arthur Laing and the following members of the House of Commons, Messrs. J.-J. Blais, M.P., A. Cyr, M.P., M. Roy, M.P., Hon. A. Hamilton, P.C., M.P., David MacDonald, M.P., J. Patrick Nowlan, M.P., Frank Oberle, M.P. and Andrew Brewin, M.P.

REPORT OF COMMITTEE II: ENERGY, ENVIRONMENTAL AND SECURITY AFFAIRS

Discussion focussed on four main themes: air and water pollution and the related question of Great Lakes water levels; energy policies; the situation in Indochina; and the nature and conduct of Canadian-United States relations.

Great Lakes water levels was the first topic taken up. Representatives from both sides recognized the hardships being suffered by residents living on the shores of the Great Lakes as a result of the currently high water levels. At the same time it was generally acknowledged that over the years, the greater problem in the Great Lakes area has been a shortage of water. For this reason, therefore, as well as because of the enormous costs involved, there was no support for the idea of a major deepening of the St. Lawrence River in order to reduce water levels. One idea advanced was that a further limitation might be placed on the speed of vessels during periods of high water in narrower parts of the St. Lawrence River.

The question of pollution controls and the construction of facilities for purifying industrial and municipal wastes was discussed briefly. Both sides felt that the International Joint Commission was doing useful work, in researching sources of pollution and in acting as a prod to greater action by both governments. There was support by some Canadian representatives for giving the IJC more powers of enforcement. United States representatives regarded the Great Lakes Water Quality Agreement, signed by the two countries in April 1972, as a protection against possible backsliding but expressed the belief that the United States could meet the standards set by the treaty through present legislation and appropriations.

The most sustained discussion occurred on the related subjects of future energy sources, including those in Canada and the United States; and on the alternative techniques and routes for the transportation of northern oil and gas. It was pointed out by Canadian representatives that only two years and two months ago the United States government had asked Canada to accept a reduction in its oil exports to the United States. That situation had changed completely. Both sides recognized the need to make arrangements to bring northern oil to southern markets as a means of providing some leverage against

excessive increases in the price of imported oil which was inevitably going to rise very sharply.

United States representatives reported on the financial necessity of transporting Alaskan oil by tanker but stressed the many precautions which were being insisted upon in order to minimize the risk of oil spills. These include satellite and computerized guidance systems for vessels and very stringent designs in tanker construction aimed at preventing extensive spillage even in the event of accidental puncture, all of which are enforceable under the Jones Act as only American shipping could be used. Canadian representatives expressed particular concern over the proposed movement of tankers through the Strait of Juan de Fuca into Puget Sound. The United States side noted that oil was being transported to the east coast of Canada and the United States in tankers which were not subject to controls relating to vessel design, safety and navigational equipment.

On the subject of securing peace in Indochina, the Canadian representatives expressed the general satisfaction in Canada that the United States had extricated itself from the Vietnam conflict but expressed regret that there was, as yet, no real peace there. In explaining to the United States delegation the Canadian reluctance to serve on the ICCS in Vietnam and the possibility that Canada might eventually withdraw even after its recent 60-day renewal a Canadian delegate said that while Canada considered itself well qualified for peacekeeping there was a very strong feeling that Canada did not want to repeat its past futile and frustrating experience in this regard. That was why Canada had insisted on certain pre-conditions before accepting, even temporarily, the surveillance role. Furthermore, the current decision to renew Canada's participation for 60 days was more the result of international pressure than a conviction that Canada was playing an effective role.

The United States delegation asserted that the Canadian role in Vietnam was extremely helpful, even vital, and the United States hoped very much that Canada would continue to bear this burden. One U.S. delegate noted that although the cease fire machinery was indeed imperfect and not functioning as well as had been hoped, Canada should try to understand how difficult it had been to achieve even this fragile arrangement. The U.S. had certainly not given up hope that stability would be achieved and that the machinery will work. The Canadian "open mouth" policy of focussing attention on trouble spots had been very helpful. In the discussion regarding postwar reconstruction in Vietnam, a U.S. delegate stated that aid to North Vietnam ought to be on a bilateral rather than a multilateral basis in order to use it as a lever to reduce or eliminate cease-fire violations.

On the nature and conduct of Canadian-American relations, it was noted by the Canadian side that since this was the 15th birthday meeting of the Canada-U.S. Interparliamentary Group, perhaps now was the time to reassess the format of the meetings. Although the two countries were so inextricably linked, there were remarkably few formal joint instruments for consultation or decision-making on mutually important problems. A Canadian delegate asked the group to consider whether the present format for the meetings was satisfactory, whether they should be shortened from the present four day length, whether they should have the social program before rather than after the substantive meetings, whether there should be more frequent meetings of smaller groups, perhaps limited to discussion of a single issue and whether, in the future, there might be discussions in public of the two legislative groups with a view to leading and informing each country's public opinion on the important issues between them.

The United States delegation expressed their satisfaction with the present format which they found informative and valuable but it was suggested that, in addition, more frequent meetings on a smaller scale and for a shorter period, perhaps for even one day, were quite possible. The idea of moving out of the two federal capitals into different state or provincial locations was also discussed briefly.

Program

The Canadian delegation and their wives were greeted at the plane by the United States co-chairmen, and Mrs. McGee and Mrs. Morgan, on arrival at Andrews Air Force Base and proceeded to the Shoreham Hotel in Washington. That evening their United States co-hosts entertained the Canadian delegates and their wives at an informal buffet dinner held at the Shoreham Hotel.

The following day delegates were entertained by their Co-Hosts at a luncheon in the Gold Room in the Rayburn Building and on Friday both delegates and wives were entertained at a luncheon at the Capitol.

Ladies' Program

During the Committee sessions on Thursday and Friday, an interesting program of activities were provided for delegates' wives, including tours of Kennedy Centre, Watergate South Shopping Centre, the White House and other points of interest in Washington.

White Sulphur Springs

On Friday afternoon both delegations and wives were flown by United States military planes to Greenbrier Valley Airport from where they proceeded to the famous Greenbrier Hotel at White Sulphur Springs, West Virginia. In these magnificent surroundings delegates had an opportunity to continue on an informal basis the discussions launched earlier in Washington, and the Canadian delegates and their wives were entertained there by their United States colleagues at a memorable banquet on Saturday evening and at an equally delightful farewell "brunch" on Sunday before departure for Washington and for Ottawa.

Muriel McQ. Fergusson,
Speaker of the Senate of Canada.
Robert J. McCleave, M.P.,
Deputy Speaker of the House of Commons.
Ottawa, April 9, 1973.

THE SENATE

Monday, April 16, 1973

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

Prayers.

INCOME TAX 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-170, to amend the statute law relating to income tax.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Salter A. Hayden, with leave of the Senate and notwithstanding rule 44(1)(f), moved the second reading of the bill.

He said: Honourable senators, this bill is a difficult one to explain. It is difficult to analyze. In trying to analyze it, I can tell you that I located myself at a table which was long enough to accommodate the original statute, a copy of Bill C-170, and copies of *Hansard* containing the proceedings of the Committee of the Whole in the House of Commons with respect to this bill. Even with all that there were occasions when I was puzzled in trying to figure out the intent of this bill and the meaning in the original legislation, because there is no use trying to understand an amendment until you know what it is to which they are addressing themselves.

There are a few things I can tell you about the bill. The changes in the bill are confined to changes affecting taxation in the year 1972. The bill, as and when it becomes law, would be effective in relation to the period commencing January 1, 1972. Mind you, it might continue into subsequent years, but its starting place is 1972.

Last year, for the 1972 budget, there was an income tax bill, which was designated Bill C-222. The subject matter of that bill was referred to the Standing Senate Committee on Banking, Trade and Commerce for study of the principles and the substance involved in that bill, because we did not have the bill before us. We had one hearing and we heard our tax auditors. We made a comparison between the amendments the bill proposed and those items in our original reports on Bill C-259 which dealt with what we called nine top priority items.

That does not mean that was the entire work of the Senate at that time, because we made three reports and dealt with many phases of Bill C-259. That is the basic income tax bill now. We called the attention of the minister to many areas in which we thought there should be consideration given to changes. When we got to the end of the road, we settled on nine items that we thought were of such a substantial character, and which seriously affected the interests of so many of the public, that they should be dealt with in any event.

I can tell you this, without having analyzed the relationship of Bill C-170 to Bill C-259 and to our three committee reports on Bill C-259, that a fair number of the recommendations which we made, in our preliminary reports as a committee to the Senate, were adopted and incorporated in Bill C-259, before the bill was passed by the House of Commons.

Hon. Mr. Benidickson: Hear, hear.

Hon. Mr. Hayden: Therefore, I am forgetting about those. In relation to the nine items that, in our last report, we called "top priority items," these are the items on which we questioned the then Minister of Finance very forcefully when he was before us on December 13, 1971. He was not before us in relation to Bill C-259, but in relation to our study of the principles involved in that bill. We still did not have the bill officially before us.

The nine items were under these headings:

1. Gifts, Bequests and Devises to Charities.
2. Employees Profit Sharing Plans.
3. Deferred Profit Sharing Plans.
4. Passive Income.
5. *De Minimis* Rule.
6. Tax-Exempt Non-resident Investors.
7. Non-resident owned Investment Corporations.
8. Private General Insurance Corporations.
9. Deemed Realization on Ceasing to be a Resident of Canada—the departure of a person from Canada and what assumptions are made at that time.

Of those nine, seven have been dealt with in Bill C-170, and two have not. One of those is the *de minimis* rule. All it meant was that the law would presume that when a person left Canada, he would be permitted to take up to $5,000 without making any account of it. In the case of anything further in the way of property or assets, there was a deemed realization and he would run into a tax on profits.

The other item was the non-resident owned investment corporation, and this is something about which we should question the minister in committee. Incidentally, I should inform you that if the bill is given second reading and referred to committee tomorrow afternoon, the minister and his officials will be available at 3 c'clock to answer questions.

What we called the N.R.O. companies is presumably one to be discussed. We said that the N.R.O. companies are non-resident persons in corporate form and should at least have the same treatment as the non-resident individual. There was some indication in the course of our

discussion that the then Minister of Finance felt there was merit in our contention, but for some reason or other, perhaps because of problems which presented themselves, it has not been dealt with.

Honourable senators, having said that, I do not want to elaborate on these provisions. Instead, I would prefer to tell you what I regard as the substantial things in the bill which should be the subject matter of debate in this house. There are many provisions in the bill, and it would just be a waste of time to attempt to get all the information and discuss them properly. The majority of the provisions can more properly be dealt with in a more understanding way in committee.

• (2010)

Let me start out by stating what this bill has been described as by the Minister of Finance and by many of those who have spoken on this bill in the other place. They say it is mainly relieving, and I can tell you that in that connotation it does not mean relieving you of any more cash; it is just relieving in its provisions.

Hon. Mr. Asselin: Thank you for that explanation.

Hon. Mr. Hayden: They say it is clarifying and beneficial. They say that in a narrow way there are a few errors or mistakes that have crept in, such as a wrong date or something of that kind, and that in some sections there are redundancies. So they say those are the reasons for many of the changes in the bill.

What I propose tonight is, first of all, to deal with one of the major recommendations which we formulated when we were studying the white paper. The father or originator of that proposal or recommendation was Senator Lazarus Phillips. From the very beginning in committee he was the one who took the position that the family farm should be looked on as a unit and that within the family they should be able to transfer the farm down from one generation to another without any deemed realization and without attracting any capital gains tax. We did not get much benefit from that in Bill C-259, but in Bill C-222, which was the budget bill of last year, and in Bill C-170 we do.

I can tell you that our recommendation on that point, which is not in the nine top priorities but was in our first report, was that there be a rollover. You understand that a rollover is just other language for saying that there should be no deemed realization and that, therefore, the transaction should not, in the process of transfer, attract any tax. We recommended a rollover of the farm land and any other capital property used by an individual in a farming activity. There was to be no deemed realization on death when transferred to a child resident in Canada immediately before the taxpayer's death.

This has been done in this bill. If you want the references for purposes of the record you will find them in Bill C-170 at page 126, and as part of clause 75, subclause (18). You will also find the reference in Part II, the Income Tax Application Rules, shortly called ITAR, at page 114, and you will find it at pages 24 and 25 in clause 19, subclause (9) of the bill as it amends section 70 of the act.

This bill was amended in the House of Commons by providing for *inter vivos* gifts as between a farmer and his child so that by like means and with like result the land or depreciable assets could move from the farmer to his child during the lifetime of the farmer without attracting tax. In other words, there would be a rollover. The House of Commons also put in a provision that if this *inter vivos* gift went to the child before he was 18 and he disposed of it, then, of course, the transaction attracted tax and the burden of tax on the deemed realization in those circumstances would be on the transferor, which would be the original, the father who started the process going. Those provisions are to be found in clause 20.1 on pages 26 to 28 of the bill, and clause 20.2 on pages 29 and 30 of the bill as passed by the other place.

Now, honourable senators, having said this, I think you are ready for a little of the human interest side of the bill having regard to what it does in relation to the farming community. There is a heading at clause 6 which deals with the flexible inventory of animals and livestock in the farming business. It was described in the other place as being a relief, and what it says is that the farmer may elect to compute his income on a cash method basis in relation to livestock—and here we should remember that livestock in the definition of the Income Tax Act is a much broader term than merely speaking of just animals and herds. Livestock is defined as including chickens and pigs and a whole range of animals. In any event, notwithstanding the fact that the farmer may account for taxable income under this provision on a cash method basis, he may also, in relation to any livestock he has bought during the year, other than what is in his basic herd—and he cannot touch that because there are special provisions in our law, in Bill C-259, to deal with that—he may put those purchases towards the end of the year in his inventory, and, as you know, ordinarily when you put something in your inventory in accounting, it comes into your calculation of earnings, et cetera, for the year. But the farmer may put it into inventory and he may value it, no matter what he paid for the livestock, in any year from zero to fair market value.

Let us stop for a moment to analyze what that means and here I should mention that I have had some discussions in the department not particularly as to what it means but as to what one can do with such a provision. In my view it provides an unlimited right to defer income and therefore tax from year to year. The farmer can defer his income, therefore, or accelerate it as he chooses. If at the end of a year, for instance, he has bought livestock to the value of $10,000, and he does not want to increase his income beyond a certain figure, say $5,000, then he may value those purchases at $5,000 and put them into his income, and he may carry the rest forward to next year, and in turn, next year he can carry it forward, under this provision, to the following year, as the case may be. He may revalue at any range of price those acquisitions which he has made in the previous year, anywhere from zero to fair market value.

Honourable senators, you can understand that in a market where there is a rising trend, one might act in a certain way through being able to proceed in this fashion. If one had losses and one made purchases, one might increase the income to absorb the losses rather than run out of losses and so lose them. The expense of the purchase would affect the income of the year, and it can then

be carried forward to the next year. On the other hand, you can take care of it in income, if you have income in the next year, or you can create more income the next year by purchasing more animals and putting them in your inventory. I am not really in a position to suggest the real intent of this. When the minister is before us we can ask him, but I know that in the practice of law I would be interested in being able to have a situation in which I could either defer or accelerate my income depending on the circumstances in the particular year. As a tax principle I have not very much to say for it. As a political factor it may have great value, and as an economic factor it may be necessary in the circumstances to assist many farmers in the problems they may have in respect of overbuying and getting into financial difficulties of that or another nature. Perhaps it is not the best method, but it is a method of overcoming such a situation. I took a few minutes in discussing this because I find it an interesting clause, and one to which I should draw your attention. It is to be found at pages 4 and 5 of Bill C-170.

• (2020)

We have all heard about hobby farms and hobby farmers. They have always felt that they have been badly treated by the government under its taxation provisions because hobby farms generally run at losses. In any event, under the Income Tax Act the hobby farmer is not allowed to take advantage of other income to offset farming losses under $5,000. There is, however, a provision contained in clause 7 of this bill relieving—again I use that word in its good sense—the hobby farmer if he spends money on scientific research by allowing that to be deducted from other income. This does not involve the use of his $5,000 general exemption for farming losses. He can also charge it off against the $5,000, as he prefers.

Having dealt with that, I would like now, if I may, to move into the area of benefits. The bill contains many benefits. I suppose I should describe them as increases in exemptions. For instance, the exemption for a person over 65 years of age is increased from $650 to $1,000. It might be suggested that since I am in that category I have a conflict of interest. That condition, however, is shared by so many present that it ceases to be a conflict of interest.

Hon. Mr. Flynn: We had an example not so long ago with respect to Senator Denis.

Hon. Mr. Denis: That was the $1,800,000.

Hon. Mr. Hayden: The principle of conflict of interest is that if the interest alleged to be in conflict is one shared by many, then it is not a conflict of interest which needs much recognition. That is the rule followed in the British Parliament.

Where a person is incapacitated by disability, such as being confined to a wheelchair or being unable to move around without the services of an attendant, he is allowed to deduct the remuneration paid a full-time attendant.

I should point out that the over-65 provision is to be found in clause 34, and the provision relating to a full-time attendant, in clause 35.

Clause 35 also provides an allowance for the transportation of any person who suffers from a disability because of which he is unable to move. This allowance is a deductible item. An amendment was passed in the other place providing that if transportation facilities were not available, in such areas as the far North, transportation could be arranged by whatever means were available, including that provided by a relative driving his own car. Such an arrangement would be a legitimate basis for deduction.

For blind persons, the allowance is increased from $650 to $1,000. If a blind person does not have any taxable income, the taxpayer may receive the deduction.

There are also education allowances. An education allowance is a new deduction for students or for those who support them. It is treated in a similar manner as a personal expense. If a student cannot use this deduction, it can be used by the individual who supports him. This individual is defined as a student's spouse, parent, grandparent, brother or sister. The plan requires the student to use the deduction if he has deductible income. If not, the deduction or the unused portion goes to his spouse if she is claiming him as a dependant. If someone is claiming the student as a dependant, that person may claim the deduction. The student can designate from among his relatives who should claim the deduction. This allowance amounts to $50 per month during the period that a student is in full-time attendance at a recognized university or college. I understand that an estimate has been made of the possible cost involved, and the figure may be as high as $50 million.

There is another benefit which I should mention briefly, and it is found in clause 1 of the bill, which deals with automobile salesmen and personal use of a car. It is one of those provisions which honourable senators, in reading it, will readily understand, in that it does not require the same close application I mentioned earlier.

To describe it briefly, the general rule is that the employee must include in his income the benefit of a reasonable standby charge of one-third of the cost incurred by the employer who provides the car for the employee. However, if the employer leases the car and makes it available to the employee, the reasonable standby charge shall be an amount equal to one-third of the amount paid by the employer, but excluding the amount paid by the employer for insurance and other charges.

Under the bill, the automobile salesman has a choice with regard to the standby charge. He may accept either the standby charge of ¾ of 1 per cent per month of the average cost of all new cars acquired by his employer during the year, or a standby charge of 1 per cent of the capital cost of the car per month. His choice is optional.

Having dealt with the increased exemptions I move to the next area, which concerns an amendment to which a good deal of attention was paid and which was regarded as being of top priority. I refer to gifts, bequests or devises for charities. The provision appears in clause 35 on page 64 of the bill. Our recommendation was that where capital property is transferred to a charitable organization, or is a gift, bequest or devise, the taxpayer be considered to have disposed of such property at its cost to him.

• (2030)

Under the law as it stood, and as it stands now until this bill becomes law, if a person made a gift in kind, for instance, to an institution—something that was suitable

and adaptable for purposes of the charitable work of that institution—and then he died ten years later, there would be a deemed realization and he would be subject to income tax on the difference between his cost at the time he made the gift and the fair market value at the time of death.

We felt that that was unfair. We felt that it would discourage donators to charity. Many organizations appeared before the committee, as honourable senators will recall, to make representations against this provision, which is now amended by clause 35 of this bill. Clause 35 provides that where certain tangible capital property has been donated, whether by will or otherwise, to a qualified charitable organization, where such property can reasonably be regarded as being suitable for use in the course of carrying on its charitable public service or similar activity, the donor or his legal representative may value the property at any amount between its cost and its fair market value. The amount so designated will be deemed to be the donor's proceeds of disposition for purposes of computing the charitable deduction of the donor.

Any bequest to a charity will be regarded as having been made in the tax year in which the donor died. Apparently there seemed to be an interpretation of the existing law that if the donor died during the year, then when it came to the end of the year he was no longer there and therefore that gift which he had made while he was living could not come within the description of being entitled to the 20 per cent. Personally, that struck me as being a very fanciful interpretation. In any event, the amendment has been made to correct that situation, if it needed any correcting.

The next item—and you have heard me talk about this in this house on numerous occasions—concerns employees' profit-sharing plans and deferred profit-sharing plans. We felt very keenly about these matters. In the employees' profit-sharing plan the employee and the company contribute, and there is a trustee. The moneys in this fund are invested, and the income from such investments are reinvested. The employee gets a deduction of his contribution at the time it is made, as does the employer. The proposal in Bill C-259 with respect to these plans was that when the money came out it would all be taxed as income. There are elements of capital gains in these funds, and we thought there should be some recognition of that fact. We felt that there should be a rollover of property distributed in specie. Our recommendation was that the employee should not be taxed until he ultimately disposes of such property, at which time any gain should be given the capital gains treatment, the same as in other transactions which attract capital gains tax.

In the deferred profit-sharing plan—I have explained this over and over again in this house; I trust honourable senators will not feel I am being redundant if I talk about it tonight—the employee makes a contribution of tax paid dollars. There were special provisions under the law, certainly prior to Bill C-259, for some years in respect of these plans. The employer also made his contribution to the plan for which he took his deduction. When the employee came to retirement age or when he withdrew from the plan he was entitled to receive a lump sum payment. The great attraction of these plans was the lump sum payment, and there were certain special averaging provisions to be enjoyed.

Finally, Bill C-222 dealt with employees' profit-sharing plans and brought into effect what we recommended. However, it did not do what we recommended in connection with the deferred profit-sharing plans, concerning which we made the same recommendations. We recommended that if the employee, when he retires, receives his lump sum payment in specie—that is, in securities—he should only be subject to capital gains tax when he realizes on that, and it should not be valued and considered as income subject to income tax. The whole benefit of his contribution and his many years of sacrifice in making contributions, and paying taxes on the money he paid in, would be lost if the lump sum payment, either in the form of security or in the form of cash, were not available to him for whatever purposes he intended it with respect to his future security. Thank God, there are at least people who believe in these plans and who are prepared to support themselves and provide for their security. The Lord knows, there are many of us who are not in a position to do so.

Hon. Mr. Connolly (Ottawa West): Did the honourable senator say what the outcome was of the treatment of deferred profit-sharing plans? Did he say that the Senate recommendations had been—

Hon. Mr. Hayden: Our recommendation was that there be a rollover in the security, or in whatsoever form it is received, and they receive it in specie until such time as they dispose of it, and also that their cost be considered as of that time for the purpose of any capital gains.

In connection with small business, there has been much said in the papers with respect to the classification that is called ineligible investment. The concept of small business was that if you had income up to $50,000 a year you would be entitled to the lower rate of 25 per cent instead of 50 per cent, and that could continue until such time as the cumulative fund reached $400,000 at which point, of course, you ceased to be entitled to the lower rate. There was an exclusion clause and that was that you could not use this money for what was called ineligible investment. In Bill C-259 there were many classes of security and many uses to which that money might be put which would be ineligible investment.

The small business concept at that time was to enable the small businessman to keep more of the money he earned and, therefore, to have more money to finance his business operation, because public financing was not available for most small businesses. The idea of ineligible investment, I think, was not popularly received, certainly by the small business people, and that has been stricken out now. That limitation no longer exists.

Another item which we dealt with—and this was one of the top priority items—was the tax exempt non-resident investment. This was a peculiar situation. There was a company called Teachers Insurance Annuity Associates. This, you will find, dealt with in clause 68(2) of the bill. It relates to an exemption to non-resident investors who are carrying on this type of business. In this case this firm, as the name implies, was financing and operating pension plans for teachers, professors, colleges and universities.

They were investing their money in government bonds. They were a charity in the United States, but they did not meet that classification here.

• (2040)

As I told you, back in 1962 when Walter Gordon was Minister of Finance he decided at that time these people had $10 million or $12 million invested in Canadian Government bonds, that it was a good thing to encourage this money here, and he said so in the other place, as I quoted him from *Hansard*. He provided that on a certain basis they would not be subject to withholding tax on taking out the interest on these securities.

Bill C-259 gave companies such as the one for teachers two years, I think it was, to remedy their situation. Their difficulty, as they explained it to us, was that they had committed themselves to financing projects in Canada on the basis that they had an interest income of a certain amount which was not subject to the deduction of this withholding tax. They were committed to this financing, one project being equipment and development at Malton Airport. They said they could not readjust themselves within a period of two years. We thought theirs was a deserving case, and that they should get some benefit. The minister thought so too when he was before us. Let us say, they have half dealt with the situation, but I am making a full claim for the action of the Senate in raising the issue.

What they have done is to extend for another two years the time in which a company such as this, a tax exempt non-resident investor, may meet the present day provisions in Bill C-259, so they have another two years to get themselves straightened out.

Clause 4 deals with what is called thin capitalization. This is one of the great amendments. This is not only relieving, but is beneficial. Thin capitalization simply means that you are short on equity and long on debt in the company. In many situations non-residents were investing in Canada and incorporating companies that were short on equity and very long on debt. Therefore, the interest payments were substantial, and since the interest payments were deductible items, whereas they were long on capital, to take the earnings home would be by way of dividends and would be subject to taxation on the profits.

A rule was put into Bill C-259 by which the measure of the application of tax or no tax was this: If the ratio of debt to equity was more than 3 to 1, then any interest payments in excess of that ratio would be construed as dividends, and therefore would be taxable as dividends. The application of that rule was at the beginning of the taxation year, when the determination was made. Representations were made to the department that for new companies this worked a hardship, because they might very well put more equity in during the year.

The bill provides an amendment in clause 4 by which if the paid-up capital is increased at any time during the year the measuring place for the equity is the end of the year—if it is greater than the paid-up capital at the end of the year—and this will not work the hardship that the original application of the thin capitalization worked.

We did not deal with this in our report, the main reason probably being that there were no representations made to us.

[Hon. Mr. Hayden.]

I should tell you something about this business of nothings, which always puzzles me. Every time I read that section in the Income Tax Act, and every time we have anybody before us, I have to ask the question, "What are all these nothings, like goodwill, rights, and all this sort of thing?" Under Bill C-259, if you sold any of these things the money you got was presumed to be income. There is an amendment in section 14. If you look at rule 21 of the ITAR, you will see that where you are dealing with government rights or government licences—for instance, if you sell a milk quota your position is different—you are entitled to deduct from what you realize on the sale, the proceeds and dispositions, any costs that you have in connection with the acquisition. However, it does not deal generally with goodwill and all the other nothings that are developed in section 14 of the Income Tax Act. It leaves out of that things that are described as government rights, government licences, and things of that kind. Who knows, later that may be extended. The wording is something else:

> Where a taxpayer has acquired a right or a licence to carry on a business activity that was issued by a federal, provincial or municipal government and later disposes of that right or licence, the amount deemed to be payable (for purposes of ITAR 21 and section 14 of the Act) shall not exceed the amount by which the actual proceeds of disposition exceed the cost of the right or licence.

I know there were many representations made by milk associations in Ontario and elsewhere, claiming that the body which establishes milk quotas is a body established by statute and they should not have to show any transfer of milk quota rights as 100 per cent income and pay income tax on it. If they come within the description of government rights and licences, as I have read it to you, they are entitled to set off any of the cost. They can go back to the beginning, to the time when they acquired this right, and determine what costs, if any, they had, and those are deductible.

I am trying to move along, but there is so much to deal with and I do not want to weary you. Clause 3 amends the provisions of Bill C-259 dealing with the taxation of discounts on debentures, bills, notes, mortgages, hypothecs, and so on. I should tell you what the effect of that is and how it works. I might as well mention that the only amendment made to that section is a change in the date, which was wrong. I think I should take a moment to explain this to you.

A deduction can be claimed by a taxpayer who, after June 18, 1971, issued at a discount a debt security, when the debt security is redeemed by the issuer at an amount not exceeding the face value. A complete deduction will be available if (a) the debt security was issued for at least 97 per cent of the face value, and (b) if the actual yield does not exceed four-thirds of the interest rate shown to be payable on the outstanding balance at the time the payment was made. A partial deduction will be available in any discount situation which does not qualify under those two sections I have read, and the amount of such deduction would be one-half of the discount. The amendment contained in clause 5(1) of Bill C-170 means the deduction will arise only after the aggregate of amounts

of principal repaid under the debt security in prior taxation years, as well as in the current taxation year, exceeds the issue price of the debt security.

• (2050)

Honourable senators, there is nothing like an example, and if you will bear with me I will give you one. Let us assume that in the year 1972 XYZ Limited issued for $97 a bond with a face value of $100, which complies with the interest and yield requirements I referred to. Then let us assume that in 1982 the XYZ Limited reduced the principal amount of this debt by paying the bondholder $50; and let us assume that in 1983, the next year, XYZ Limited retired the bond by paying the bondholder another $50. As section 20(1)(f) is presently worded, no deduction would be permitted in either 1982 or 1983 to XYZ Limited, since the amount paid in each of those years, taken alone, does not exceed the amount for which the bond was issued.

Clause 5(1) of Bill C-170 remedies this by allowing XYZ Limited to aggregate the payments made in 1982 with those made in 1983, so that a $3 deduction will be permitted in 1983.

You may ask: How do these things happen? Let me remind you of the way in which Bill C-259 came into being. We spent a lot of time on it, and while representations were being made to us in committee, the bill was being considered in the House of Commons. Many of the sections dealt with points with which we were dealing, and the output from our committee was never fully considered by the House of Commons. There was not the opportunity; there was not the time. The alternative course would have been to take more time.

Hon. Mr. Benidickson: This was in December, was it not?

Hon. Mr. Hayden: We sat from September until December, so we had quite a fair run at it. Notwithstanding that, I remember what the then Minister of Finance said to us in committee when we asked whether there would be an amending bill in the next year. I said—and Senator Flynn will remember it—"If there is to be an amending bill next year, I am reasonably satisfied, because when that bill comes in we can deal with it as we will, and if you do not agree with what we do, why, you won't get your bill." It was that simple. The minister then replied, "There are many amendments which we are now considering, and we have to weigh the pros and cons of their effect and relate them to situations that are international. We have so many of them left there, which we have not as yet been able to weigh and make a complete determination on, that there will be many important amendments which the government will have to propose in the next year if Bill C-259 is going to be workable." This is the beginning of them. Do not feel confident or assured that this is the end of the amendments.

Hon. Mr. Flynn: We are sure of the contrary.

Hon. Mr. Hayden: I was explaining to you this evening how the farmer could defer or accelerate his income, but perhaps I should not have been so loud in talking about it, because there may be an amendment in that direction.

There are many places in this bill where even yet—and it is understandable—it is not possible to conceive all the types of transaction that may arise. When you adopt that as a principle of taxation you run into difficulties. I think the basic principle was wrong in Bill C-259, where they tried to cover every loophole. I do not think you can pass any law which covers every loophole. The only way you can do that is by saying, "Thou shalt not do this," and even then it might not work out; it might be too particular and it would have to be a generality. In the war years they adopted the expedient of saying it is prohibited to do this and this and this, and they then thought they had made it an absolute offence to which there was no answer.

As I have said, it is next to impossible to enact a tax bill to cover every situation that could arise. I have indicated to you only a few such situations that have arisen. You have not heard most of them, but I am not going to weary you with them this evening. Most of the amendments in this bill are of the type that I have been indicating to you, and they deal with a variety of subject matters, like foreign tax credits, refundable tax on investment income, mutual fund trusts, withholding tax on patronage dividends, status of co-operative corporations, capital gains and losses by insurance companies, instalment payment of tax for farmers and fishermen, and definitions of minerals and mineral resources. I do not know how one could deal with all these things here in the Senate. The only way in which it can be done properly is to have the minister and the departmental officers before us and ask them specific questions such as: What does this mean? What was the law? What is the law at this time? What is the difficulty in the law that you are seeking to correct? We would not ask them if they think it is corrected or not, because after all we have to leave some work for the lawyers. We will not give them any assurance for their belief that these amendments will cure the problems in Bill C-259. That is not necessary. The first thing we have to know is what they say is the law in the present act, what is wrong with it, and what are they trying to correct. In that way we would get some reasonable understanding of the bill.

If I had adopted the procedure of going through this bill section by section, it would have taken a long time and you would have had to go back and read what I had said, and even then it might not come out too well. Therefore, the better way and the preferred way is committee treatment. We can afford to be very specific in our questions in committee, and certainly at the proper time I intend to move that this bill be referred to committee.

Honourable senators, I should tell you, in passing, that they have lightened the burden a little bit on professional income. Under the act, as you know, when a professional man—a lawyer, a doctor or a dentist—with income also receives a fee, that is regarded as income and he has to account for it. Clause 8 amends section 34(1) of the act to provide that a professional man may set up a reasonable reserve in relation to a retainer or other fees that are paid to him, on the basis that those payments are made in relation to future services. In other words, his availability for that service goes into the future; it is not all related to the immediate problem he is dealing with.

Certainly, that is the basis on which lawyers deal with clients who may come to them from year to year. I think they certainly expect, when they are on retainer, that it is a continuing retainer, and that there is some portion of it

that they are able to establish as a reserve. In retainers, while you get benefit, you may also lose something. Having retainers from certain people may mean that you cannot take retainers from other people. You cannot ditch the ones you have and take others because those others might provide more income. So professionals are entitled to set up a reasonable reserve. To find out what that is, we shall have to wait to hear what the income tax people have to say in their rulings and in their application of the law.

• (2100)

Hon. Mr. Bourget: Is that for all professionals, including engineers?

Hon. Mr. Hayden: I would say engineers would be included, yes.

Hon. Mr. Martin: I do not think so.

Hon. Mr. Hayden: May I speak for a moment on the departure tax, which was one of the top priorities. Under the present law, when a taxpayer ceases to be a resident of Canada after 1971, he is deemed to have disposed of his capital property at fair market value and must account for accrued gains. This applies to all his property with certain exceptions, and the exceptions are taxable Canadian property as defined in the act, and a right to receive certain payments such as pension payments and other retirement benefits.

With respect to other capital property, for example, foreign capital property, the taxpayer is permitted to elect to postpone the tax payable on a deemed disposition until he either sells it or resumes residence in Canada. He has to put up security for the tax he would have paid if he had not so elected. If he sells the property while he is a non-resident, the tax is then payable on the gain up to the time he left Canada at a rate determined—and this is important, at a rate determined as though he had continued to be a resident; that is, based on his total income. This is the present law.

With respect to the amendments, and this comes under the heading "Beneficial," one is that he can elect to have such property deemed to be "taxable Canadian property," and the effect is that when he disposes of it while he is a non-resident he will be taxed on the gain from his cost up to the time he disposes of it in the same manner as would a non-resident, that is, without reference to his other non-Canadian income. In other words, if he has a gain on a capital disposal after having made this election of, say, $10,000, then his marginal rate for tax purposes would be the marginal income tax rate in Canada on that amount of income only, and not on his total income. You can see what a big difference that would make and how seriously it could affect the marginal rate as between the position under the present law and the position under this bill.

There is also an alleviation in the circumstances where the fair market value of the property was worth more when he left Canada than when he sold it.

The provisions of Bill C-170 also permit a taxpayer to pay tax attributable to any deemed realization in six annual equal instalments with interest.

The new provisions also implement the May 1972 budget proposal for a person coming to Canada and being resident here for not more than 36 months over the preceding ten years. Any accrued gains on property which he owned when he entered Canada in those circumstances will not be subject to tax when he leaves. The amendment also sets out the order in which the $5,000 capital gains exemption is dealt with. If you want to see how they would sort out that $5,000, which you can take without having to account for it, you will find that in this clause of the bill.

There are many other items that I could deal with now, but I feel I would be wearing out my welcome if I were to take up much more time in discussing them. There is one lengthy subject, distribution of undistributed income, which I will merely mention. Clause 63 (1) enables a corporation to pay the special Part IX tax of 15 per cent on its total 1971 undistributed income. This will automatically increase the corporation's tax-paid undistributed surplus by the full amount elected upon minus the 15 per cent tax. These provisions have been made less onerous because there was what is called an excessive tax. If you made an election to avail yourself of this right to distribute on the basis of 15 per cent tax and you overstated the tax-paid undistributed surplus element as against the capital gains element, you had a considerable exposure to tax. But now they have lengthened the period. They have given you 90 days after you have done this in which to make corrections after the minister settles with you what the proper amount is. So, it is relieving in that sense.

As to the rest of the bill, I have told you what is in it. I would not dare to attempt to read it. I tried to get some benefit out of *Hansard* of the other place and their questions on some of the items. I found the answers and the information projected quite informative, but in some cases there were blocks of clauses that were moved en masse and approved without any discussion as to their scope and purpose. Therefore, you have no assistance from the study in the House of Commons for all aspects of this bill. It makes it all the more important that we should do the job ourselves and that we should do it as capably as we can.

Hon. Mr. Martin: They did it in two days.

Hon. Mr. Hayden: I have spoken a little longer than I had intended. That is what happens when I get started on a topic like income tax, or any other bill for that matter.

One other point I wish to bring to your attention concerns the principal residence. A leasehold interest in a housing unit can now come under the description of a principal residence for purposes of the exemption of a principal residence. For some people that may be of some advantage. I just thought I should mention that. Having done so, I will not attempt to wear out your patience any longer.

To the extent that I have dealt with these matters I have done so only on the basis of illustrating what the words, "relieving," "clarifying," and "being beneficial" mean in their application to the bill, and that application runs through the whole of the bill. I would say that at least 75 out of the 92 clauses of the bill are of that nature. They are mainly relieving and are clarifying, and where they are neither of those they are beneficial.

I have not exhausted Bill C-170 by any means, but I have yet in my study to find one clause in which any tax

has been increased. For that I suppose we should be grateful.

Hon. Senators: Hear, hear.

Hon. Mr. Grosart: Honourable senators, it is my intention to move the adjournment of the debate, largely because any comment I might make now would obviously be an anticlimax after the exhaustive and brilliant explanation of the bill by Senator Hayden. He has said that he found the bill difficult to analyze and difficult to explain, and even that he was puzzled by it.

I need hardly say that in the time I spent on it over the weekend, if Senator Hayden was puzzled, I was panicked. I did read the 95 clauses and the ways-and-means motions and the discussion in the House of Commons that he referred to, and I agree with him entirely that this bill has not yet been thoroughly examined in the other place.

I welcome his suggestion that Bill C-170 go to the Standing Senate Committee on Banking, Trade and Commerce for thorough examination.

Senator Hayden mentioned that there were blocks of clauses passed in the other place without a single question being asked or explanation being given, and that is true. I mention that at this time because I wish to pay special tribute to Senator Hayden and the Banking, Trade and Commerce Committee. He was very modest in referring to the work of the committee in respect of Bill C-259.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Grosart: He spoke of the amendments that had been made as the result of the work of the committee in preparing its first report. He said there were several. Indeed, there were a number. I have heard the figure 40 mentioned. I am not sure that that figure is correct, but certainly Bill C-259 reflected many amendments that were suggested by the Standing Senate Committee on Banking, Trade and Commerce, in its report to the Senate, which were not even raised in the other place.

• (2110)

He has also mentioned the nine priority items which were given in the third report, and the promise on the part of the then Minister of Finance that these would be given immediate consideration. Senator Hayden did not say that the minister had said that there would be another bill in the spring, meaning last spring. But now we have it before us this spring, and I may have some further comment to make on this point tomorrow. I consider it important to put this point on the record, honourable senators, because even as recently as during the discussion on this bill in the other place, comment was made about the "scant attention" that Bill C-259 was given in the Senate. It surprises me that a comment of this type should be made by members of Parliament, because they know the situation to be completely different. Although I was one who complained bitterly, loud and long about the manner in which we were asked to pass the bill, I am not one who fails to recognize the tremendous work done in the Senate in dealing with that bill. I believe that the same careful attention will be given to this bill when it goes to our committee. I have no hesitation in saying that it will receive even more thorough consideration in Senator Hayden's committee than it received in the other place.

Senator Hayden apologized for the time he took in explaining the bill. I wish he had taken even longer, because it has been my experience that where these tax bills are concerned the most definitive comment on and explanation of the bill is that given by Senator Hayden in introducing it to the Senate. I am aware that later we receive reports from law reporting firms on the bill, but the fact that Senator Hayden makes it quite clear that on occasions he disagrees with some of the principles involved is something that we do not find in the formal reports on the bills. I pay him that compliment now. He further said that perhaps some of his words were redundant, particularly his references to the work of the committee. That is the kind of redundancy I hope we will hear again and again. I move the adjournment of the debate.

On motion of Senator Grosart, debate adjourned.

CUSTOMS TARIFF

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-172, to amend the Customs Tariff.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. John J. Connolly, with leave of the Senate and notwithstanding rule 44(1)(f), moved the second reading of the bill.

He said: Honourable senators, the primary purpose of this bill is to provide some relief, through an amendment to the customs tariff, to the underdeveloped world. The Western World has been very much concerned and, perhaps, conscience-stricken about conditions in what is described as the Third World, the developing countries, the underdeveloped countries, the countries that are poverty-stricken and that lie, broadly speaking, along the equator.

We have talked about aid in various ways, and all the developed countries of the Western World have had very extensive aid programs since the end of the last war. One of the greatest aid programs was the Marshall Plan in Europe to rebuild that continent physically, economically and, perhaps, even spiritually—a Europe that had been devastated by war. One of the great advantages of an aid program of the magnitude of the Marshall Plan was the fact that there was know-how, there was personal capital, and there were other forms of capital in Europe which could be used in the aid program that the Marshall Plan provided.

But, honourable senators, aid did not stop there, because immediately after Europe began to be resuscitated and revived and had started back on the road of development, expansion and growth, the problems of Asia and Africa, particularly of the new emerging countries that were appearing on the scene in those continents, began to worry the consciences of the Western World. Perhaps they worried more than their consciences. Perhaps there was a realization in the Western World that its

own safety could ultimately be involved. Here, perhaps, as distinct from the situation in Europe, a special kind of help was needed. It was needed in the form of food, capital, capital goods, and more than anything else it included training, because the peoples of the underdeveloped countries did not have either the standard of living or the educational standards which were characteristic of Europe. Not only were governments involved, but great foundations with great pools of money were available and participated in this work. We should not forget the tremendous contribution that has been made by the churches of the West, of all denominations, particularly in the field of training.

We know through the studies made in our committees, as well as through the consideration given to such matters in this chamber, the work that Canada has done in the last 25 or 30 years in the field of aid through what is now called the Canadian International Development Association and the International Development Research Centre. We have had, of course, not only in this country but in many other countries, studies, inquiries and reports, some of them sponsored by governments and some of them sponsored by special international agencies such as the United Nations and others. Yet others have been sponsored by international organizations like the International Monetary Fund and the World Bank.

After a while the question was asked as to whether or not the developing countries were ready for the take-off, the economic take-off. Apparently some of the aid work, and here I use the word in a very generic sense, has been productive and some of these countries have developed techniques, know-how, and industries which are producing goods which could be sold abroad. Those members of this chamber who have been at international conferences involving a discussion of world economic affairs, and here I think particularly of Commonwealth meetings, have been struck with the sense of desperation of representations from some of the underdeveloped countries with regard to the need for markets abroad, to earn foreign money which they in turn could use to purchase capital goods and services which must be obtained from outside their country. This bill is a faltering step, a short step, but it is a step in the direction of modifying the Canadian customs tariff for the purpose of providing access for goods from developing countries to the markets of Canada.

• (2120)

Bill C-172 was originally proposed in the 1972 budget. Honourable senators will remember that the Canadian tariff contains three columns of rates. These are the British Preferential, the Most-Favoured-Nation and the General Tariff. It is now proposed that there be introduced, in effect, a new tariff column which will provide a generalized system of preferences for developing countries. The new name appears in the schedules contained in the bill. It is entitled the General Preferential Tariff. The bill provides for the preferences to be granted by Canada. There have been similar pieces of legislation passed in approximately 12 developed countries to the same general effect. All these pieces of legislation, whether in Canada or other developing countries, are intended to assist what was called at the original UNCTAD meeting "The Group of 77"—now 97—developing countries. In addition to those countries themselves, their dependencies and protectorates will receive the benefit of these provisions.

I should commence by indicating the origin of the concept of this new system. It began at the 1964 meeting of the United Nations Conference on Trade and Development, UNCTAD I. At that conference two options were considered. The question was asked whether the developing countries would profit more from a multilateral trade liberalization in which they would be granted free entry, perhaps even across the board with some exceptions, for all their products to the markets of the developing world. The second option was the scheme proposed in this bill, namely, a system of tariff preferences which each of the developed countries, some 12 or more, would grant to the various underdeveloped countries for their industrial products. It was not until UNCTAD II, in 1968, that both the developing and developed countries unanimously agreed that the method of assisting the developing countries through tariffs should be a generalized, non-reciprocal, non-discriminatory set of preferences which would apply to the manufactured and semi-manufactured goods of developing countries. I should say that in each of these "special preference" items of legislation there is a provision that the donor country, in this case Canada, can withdraw the preference in respect to a given item extended to a given country, in the event the imports from that country to Canada are likely to threaten or injure Canadian industry.

I have said that the preferences are to be "generalized" and "non-reciprocal." They are generalized in the sense that all manufactured and semi-manufactured goods of the developing countries which qualify can enter under these preferences. The same concession will be applied to every developing country, there being no selective list of goods or of countries. I have said it is non-reciprocal because even as a result of passing this legislation Canada will not be afforded the benefit of compensating legislation by the developing country which benefits.

We should know the type of trade movement and the value of goods and services we are considering. I am informed that in 1971 the imports to Canada from developing countries were only 7 per cent of all our imports and were valued at $1 billion. Seventy per cent of these imports to Canada are now duty free and are covered by approximately 500 items in the British Preferential Tariff. In 1971 the dutiable imports to Canada from developing countries were worth approximately $338 million, which is only 5 per cent of all dutiable imports into Canada. The preferences provided by this bill will affect approximately $152 million worth of manufactured and semi-manufactured goods to be brought in, on the basis of the 1971 figures.

Honourable senators should be informed of the principal products imported. These are again the figures for 1971. We imported petroleum products, not crude oil, to the value of $92.7 million; sports equipment and toys to the value of $8.7 million; textiles and clothing to the value of $4.6 million; footwear to the value of $7.5 million, and electronic equipment to the value of $5 million.

What is the formula under which these goods will hereafter enter the Canadian market? As I said, the prefer-

ences provided by this bill will apply to manufactured and semi-manufactured goods of developing countries. The General Preferential Tariff established by this bill will be whichever is the lower of two-thirds of the Most-Favoured-Nation Tariff or of the British Preferential Tariff.

In addition to that concession which Canada will grant to the developing world under this bill, certain reductions are to be made on the importation of selected agricultural products. These are detailed on page 3. The principal agricultural products to benefit are rum, to the value, in 1971, of $3.8 million; grapefruit juice, about $1 million; and desiccated coconut, about $1 million.

• (2130)

I have already indicated that if items which are allowed entry into Canada by this measure are found to threaten or injure Canadian industry, an order in council, after proper investigation by the department, can be passed restricting, prohibiting or limiting in some way the offending product.

Which countries will benefit from the provisions of this measure? Generally speaking, any developing country will qualify. Without question, some 88 members of UNCTAD already qualify.

Hon. Mr. Rowe: But they are not spelled out in the legislation?

Hon. Mr. Connolly (Ottawa West): They will be spelled out only by order in council. The criteria for establishing the right of a country to enjoy these preferences are threefold: first, it must consider itself to be a developing country; secondly, it must now enjoy the benefit of British Preferential or Most-Favoured-Nation rate of duty; and thirdly, it must receive preferences from some of the other developed countries comparable to those provided under this legislation.

In effect, it means ultimately that the whole of the 97 members of the group of 77, plus their dependencies, will qualify—practically all of them immediately and some a little later.

There is some question whether certain countries qualify, such as Spain, Portugal, Greece and Turkey who in 1971 shipped goods to Canada to the value of $26 million. Those countries are members of OECD and UNCTAD. There is also some question whether Israel and Malta, which in 1971 shipped goods to a combined value of $7 million, will qualify, although they are members of UNCTAD.

That is the kind of problem that will be worked out in the same spirit that prevailed at UNCTAD II. Some 10 or 12 developed countries have passed legislation somewhat similar to this.

The bill provides that these preferences will expire in 10 years. This has been agreed to internationally. It is possible that at that time, or before, they will be reviewed and reassessed in the interests not only of developed countries but also of developing countries.

That part of the bill dealing with the preferential scheme for manufactured and semi-manufactured products of underdeveloped countries will take effect by proclamation. In other words, it will take some time for the various orders in council to be drawn up.

Clauses 1 and 4 shall be deemed to have come into force on May 9, 1972. One clause simply provides for the addition of Bangladesh as one of those countries that might otherwise have benefited under the bill. Bangladesh was established as a nation, of course, just before the effective date of this section.

Some incidental tariff changes have been incorporated in the bill as a result of Tariff Board appeals in respect of goods for educational and religious purposes.

In one case, the bill widens the preference or lowers the duty, and in another it increases it. As a result of discussions between the United Kingdom and Canada concerning knitted goods from the United Kingdom and certain cotton fabrics from Canada, the United Kingdom could not accommodate the Canadian position, and Canada could not accommodate the United Kingdom position. For those items there is a slight advance in the tariff rate.

Honourable senators, in committee tomorrow I shall arrange for distribution of the schedules contained in the bill, showing not only the proposed rates but also existing rates. There is no schedule for the arrangements under this bill for the special General Preferential rates for manufactured and semi-manufactured products of developed countries. That is an across-the-board proposition.

There are schedules in the bill listing specific agricultural products from underdeveloped countries that Canada will allow into the country at certain specified special rates. Another schedule describes the other routine tariff changes arising from discussions with the British, and as a result of findings of the Tariff Board.

I recommend the bill to honourable senators.

Hon. Mr. Grosart: Would the honourable senator care to enumerate the goods that are excluded from the provisions of clause 2 under the amendment providing for section 3.1(2) of the act?

Hon. Mr. Connolly (Ottawa West): I am sorry, but I did not hear the honourable senator's question.

Hon. Mr. Grosart: I asked whether the honourable senator would care to comment on the goods which are excluded under the amendment providing for section 3.1(1) and (2) of the Act, which is referred to in clause 2. The honourable senator has given us an excellent description of some of the items that will come into Canada under the General Preferential Tariff, but unless I did not hear him correctly, I do not think he mentioned the kinds of item that will still be excluded. It would seem to be a rather important consideration.

Hon. Mr. Connolly (Ottawa West): The list of items is long. Perhaps I could select a few from my notes. The basic purpose of subsection (2) generally is to exclude agricultural products. There is exclusion of a few primary industrial products such as aluminum goods, certain textile fibres or filaments, and canned grapefruit segments.

• (2140)

Hon. Mr. Benidickson: What about grapefruit juice?

Hon. Mr. Connolly: Grapefruit juice is listed here, as is canned grapefruit segments. Also included is nutmeg, mace and rum.

I think, Senator Grosart, that it would be more satisfactory to you and, I am sure, to myself, were we to ask that

question in committee so that the experts can identify the tariff items and state precisely what they cover.

On motion of Senator Grosart, debate adjourned.

EXCISE TAX 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-171, to amend the Excise Tax Act.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

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

Hon. Daniel A. Lang, with leave of the Senate and notwithstanding Rule 45 (1)(f), moved the second reading of the bill.

He said: Honourable senators, I will keep my eye on the clock for the next few minutes. We have had a rather full evening and one with a lot of substance to it. I will try to whisk you through the provisions of this bill. I hope it will be more or less a pleasurable occasion because, as was the case with the bill introduced by Senator Hayden, this is a relieving bill. These relieving bills are too few and too far apart. So this should not be too laborious an exercise on our part.

Basically, what this bill does is to take $5 million and leave it in the hands of some taxpayers where it belongs, and I commend the government for that action. It does not impose any other or additional sales taxes.

This bill was passed in June of last year and died on the Order Paper at the dissolution of Parliament. It now comes back to us in exactly the same form as it was presented to the house last year and, accordingly, does not deal with the amendments brought forward in the budget brought down last February. Basically, this bill proposes eight amendments, which I will now describe.

The first amendment reduces to zero the reduced rate of six per cent sales tax on goods produced by the deaf, the blind or the dumb in institutions. Added to that total exemption for the first time are goods produced by the mentally retarded. This is a most welcome step, from both a tax point of view and a humanitarian point of view. From the standpoint of the mentally retarded, this is considerably overdue. The revenue loss as a result of this exemption is estimated to be less than $100,000.

The second change is the exemption of crates for the transport of live poultry. I do not know to what extent that will be of benefit to the hard pressed farmer or the equally hard pressed housewife shopper, but let's not knock it. This exemption will cost the Department of Revenue, again, less than $100,000.

The third amendment deals with eye glasses, frames and contact lenses. Those items, if this bill becomes law, will be exempt. This, of course, will be of great assistance to all taxpayers who are now developing eye strain and other associated ailments as a result of filling out the new income tax returns. The revenue loss as a result of those added exemptions will be $2.5 million.

[Hon. Mr. Connolly.]

The fourth amendment—and some of my colleagues such as Senator Smith will be interested in this one—is that cod traps, eel traps and articles for binding or wedging lobster claws will be added to the list of other things that are exempted in connection with the fishing industry. I hope that this will not be interpreted by my honourable colleagues here as being an unseemly political gesture to the Maritime provinces in a time of some electoral uncertainty. The revenue loss will again amount to something less than $100,000, and I think an adequate political gesture to the Maritimes should involve something in excess of that amount.

The fifth change involves the list of goods exempted as sold to or imported by municipalities. That list is being extended to include chemicals for the treatment of sewage. I want to say at this time, honourable senators, that this announcement has triggered a wave of rejoicing in my home town where we are afflicted with that problem. I do not have the estimated revenue loss with respect to that amendment, but I trust it will be substantial because of its importance to the city of Toronto, a big sewage producer.

The sixth amendment, honourable senators, deals with machinery and apparatus sold to or imported by manufacturers or producers for use by them directly in the manufacture or production of goods. Such machinery and apparatus, under the present act, is exempt. Under the amendment, this exemption will be extended to such machinery and apparatus used not only directly in the production but also in the development of manufacturing or production processes, or in the development—and I underline development—of goods for manufacture.

As I read this paragraph, what this really does is modify the words "used directly;" it is now to include "directly in the development of." My suggestion is that perhaps we should skip right over using the words "directly and indirectly", but I think this amendment is probably a good bureaucratic way of moving cautiously to a half-way point. This sort of interpretation, of course, keeps the interpretive skills of the Department of National Revenue officials at a high degree of precision, well honed and exercised. I am always impressed by the exactitude with which the Department of National Revenue officials refine these descriptive terms in such acts as the Excise Tax Act.

The estimated loss in revenue as a result of that amendment, which might otherwise appear to be an inconsequential one, amounts to something in the neighbourhood of $2 million per year.

Honourable senators will be interested to know that the seventh point of the eight I mentioned is an extension of the exemption for "machinery and apparatus, drill bits and seismic shot hole casings for use in exploration or development of petroleum, natural gas or minerals." To that list of things, I want to point out, this bill adds an exemption applying to wire rope. I would have thought that wire rope could very easily be interpreted as being apparatus, if my understanding of the word "apparatus" is correct. However, I suppose, within the confines of the revenue bureaucracy, that is not the case. The estimated loss of revenue by the inclusion of wire rope for those

purposes will be in the neighbourhood of something under $100,000.

I dealt earlier with machinery and apparatus sold to manufacturers or producers. You will be glad to know now, honourable senators, instead of changing the word "directly" to "indirectly," another amendment expands it somewhat further. Materials, plans and drawings so used will now be exempt. Now under the act we will not only have directly used machinery and apparatus but also that used indirectly in the development, and also the materials, plans and drawings so indirectly used in the manufacturing and processing industries.

• (2150)

I sometimes think we could do away with a lot of the statutory provisions by changing that word "directly" to "directly or indirectly" and leaving it up to the interpretative sections of the department to deal with it. However, I do not think that is in the nature of things. Besides, we are faced with a situation of rather high unemployment, and I would not want to see any jobs lost through such simplification of our administrative processes.

Honourable senators will note that the final provision of this bill deems it to have come into force on the 9th day of May, 1972. I just comment on what a wondrous system we have in our Parliament. Nobody will have suffered because this bill is not yet law and will not become law for a few days yet. No one will have suffered from the abeyance of these ameliorating provisions because the bill was passed a year ago but has not yet come into effect. No one will have suffered, and that because of the miraculous provisions of the Financial Administration Act, an ingenious piece of legislation. I often wonder whether without it our whole parliamentary system could possibly collapse under its own weight.

Honourable senators will realize from what I have said that this is a beneficial piece of legislation for industry in processing and manufacture, fisheries, and for exploration and development work in mining, gas and so on. It is not a momentous bill in terms of dollar value or otherwise, but any step in this direction is to me, one of the last free-wheeling private enterprisers on the Hill, very welcome and I commend it to your favourable consideration.

Hon. Mr. Grosart: I wonder if I could ask the honourable senator a question. He referred to the wondrous Financial Administration Act. Was he saying that by virtue of some section of the Financial Administration Act this bill is already in force?

Hon. Mr. Lang: The Financial Administration Act is relieving the provisions of the unamended clauses of this bill. In other words, taxes that would be collected in law under the old act as it now stands have since June of last year been remitted under the provisions of the Financial Administration Act.

Hon. Mr. Grosart: I am asking whether this bill which we are now asked to pass is already in force?

Hon. Mr. Lang: No.

Hon. Mr. Grosart: Have the dues, the sales taxes, that would be required under the present act to be collected been collected in 1972?

Hon. Mr. Lang: Collected and remitted.

Hon. Mr. Benidickson: Already remitted; remitted at the time.

On motion of Senator Grosart, debate adjourned.

DOCUMENTS TABLED

Hon. Leopold Langlois 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 1970, pursuant to section 18(1) of the said act, chapter C-31, R.S.C., 1970.

Report of the Department of Industry, Trade and Commerce, dated April 1973 and intituled: "Private and Public Investment in Canada, Outlook 1973, and Regional Estimates".

Report of The Canadian Wheat Board for the crop year ended July 31, 1972, 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 Polymer Corporation Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Fisheries Research Board of Canada for the year ended December 31, 1972, pursuant to section 12 of the Fisheries Research Board Act, chapter F-24, R.S.C., 1970.

Copies of a document entitled "Economic Review", issued by the Department of Finance under date of April 1973.

Report of the Cape Breton Development Corporation, including its financial statements and Auditors' Report, for the year ended December 31, 1972, pursuant to section 33 of the Cape Breton Development Corporation Act, chapter C-13, 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, 1972, pursuant to section 134(2) of the said act, chapter S-9, R.S.C., 1970 (English text).

Copies of a position paper of the Government of Canada, dated April 1973 and entitled "Computer/-Communications Policy".

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 tomorrow, Tuesday, April 17, 1973, at 11 o'clock in the forenoon.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Tuesday, April 17, 1973

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Neiman be substituted for that of the Honourable Senator Everett on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

VIETNAM

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—SUGGESTED APPEARANCE OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS BEFORE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS—QUESTION ANSWERED

Hon. Mr. Asselin: Honourable senators, last week I asked the Chairman of the Standing Senate Committee on Foreign Affairs whether it would be possible to have the Secretary of State for External Affairs appear before the committee in order to answer some questions about Vietnam. I do not know if the chairman of the committee now has an answer to give.

Hon. Mr. Aird: Honourable senators, as I have previously advised Senator Asselin and Senator Flynn, I was yesterday in communication with the minister's office and made every effort to make the meeting arrangements either for today or for tomorrow, but I have been unsuccessful. On the other hand, I would say to you that I believe that the minister made every effort to re-arrange his schedule in order to appear before our committee. I would also say that in no way does this turn of events foreclose the possibility of his appearing before the committee after the recess.

INCOME TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Hayden for the second reading of Bill C-170, to amend the statute law relating to income tax.

Hon. Allister Grosart: Honourable senators, I should begin with an apology, as this is one of three bills relating to the budget of May 1972 which will come before us this morning and by some unfortuitous circumstances it falls to my lot to speak to all three of them.

We complain often in this Senate about the problem of bills coming to us late, and under similar circumstances and with "good reasons" why we should pass them as expeditiously as possible. Today we can add one further complaint from the Senate, which is that this set of circumstances requires some members of the Senate, at least, to listen to me three times in one morning.

Honourable senators, the bill before us has been described as the "easy" part of the implementation of the budget of May 1972. Perhaps the obvious comment is that this bill and the others come to us with "too little too late." It is too little in the case of this bill, of course, because there is at least one very obvious omission and perhaps two. Maybe it is redundant to complain about a bill of this nature being too late when it comes to us at a time like this, because what I called before, and must call again, the mismanagement of the democratic process and the economy by the government has become a habit.

What else can we call it but mismanagement when we are dealing here with bills to implement a budget of May 1972? Never before in the history of Canada, so I am told, have we been faced with a situation in which measures to implement a budget have not only gone over an election but also over the end of a calendar year. This is the situation with which we are faced.

Like Caesar's Gaul, these budget bills fall into three parts, the three bills which I have referred to, Bills C-170, C-171 and C-172, which are to some extent re-introductions with revisions of Bills C-222, C-223 and C-224, which were introduced in the other place last June but were not proceeded with for various reasons.

Bill C-170 itself is divided into three parts. Part I, about 137 pages or so, deals with the Income Tax Act changes. Part II, the Income Tax Application Rules, is about 25 pages, and Part III, which is two pages long, deals with some consequential revisions of the Statutes of Canada, 1970-71-72, chapter 63, section 74.

The bill comprises 92 clauses spread over those 140 pages and it is not my intention to go through the bill clause by clause at this time. As I said last night, that was done in excellent outline by Senator Hayden. As I said at that time, I wish he had felt that he could impose on the Senate to take the time to go through all the remaining clauses, because certainly there are many of them that still require explanation, not only for the sake of lawyers and accountants and others who will have to deal with them in a professional way but also for the sake of laymen and the millions of Canadians who will be affected one way or another by the provisions and who at the moment are certainly not sure how they will be affected.

As Senator Hayden said last night, we can break down these 92 clauses into those which are relieving, those which are clarifying and those which are beneficial, but the majority are what are generally called relieving clauses.

As I indicated, the relief may have come somewhat late, but the outstanding characteristic of the relief, to my mind, is that it is relief in line with and consequential upon recommendations made by this Senate.

Senator Hayden indicated the nine priorities which were listed in the third report of the Banking, Trade and Commerce Committee to the Senate.

Hon. Mr. Benidickson: The nine priorities for change?

Hon. Mr. Grosart: The nine priorities for change in Bill C-259, yes. Those were changes which the Standing Senate Committee on Banking, Trade and Commerce regarded as essential. Those changes were not made, but many of them do appear in this bill now.

Just to make it clear that Senator Hayden was not being immodest when he said that seven of those nine priorities are given effect to, more or less, in this bill, perhaps I should call the attention of the Senate to the fact that, so I am told, the minister was asked how many of the amendments in Bill C-170 constitute an attempt by the government to comply with the statement made by the former Minister of Finance to the Senate committee. Mr. Turner's reply was:

• (1110)

> I would be glad to give the committee the precise list—

I do not think he has yet given that list to the other place, but perhaps we can get it from him.

> —I would be glad to give the committee a precise list. I am advised that, to the best of our knowledge, we have fulfilled all the commitments made by my predecessor in the other place, but I shall be glad to furnish further details to the committee.

I do not recall that he was asked for those details, but I think it would be useful for us to have from the minister the specific items that he feels he has implemented from our report. Honourable senators will recall that when Bill C-259 was before us we were again in one of these under-the-gun situations, and the complaint was made here that we were being asked to pass this bill with "indecent haste." I use that phrase because it was used only the other day by a prominent parliamentarian who said that we had passed Bill C-259, the Income Tax Reform Act, as it is usually called, "with indecent haste" in this place. Perhaps I should at this time take a minute to set the record straight on that point particularly since I was one of those who held out up to the last minute for the incorporation of these nine priorities in the report to the Senate. That was not done, and it is not my intention at this time to rehash it or to try to reopen old sores. My only purpose in raising that matter now is merely to point out that if we had taken that course at that time, the situation today would obviously be very different. Senator Hayden was not with us at that time for unavoidable reasons, but I believe that if the Senate had taken a different course at that time—and I think under our rules I am entitled to criticize what the Senate did in another Parliament but not in this one—if the Senate had taken that course we would have avoided a good deal of undeserved but nevertheless unfavourable and very bad publicity.

It is not true that the Senate passed it with undue haste; what is true is that the Senate declined on that occasion, for reasons which in its wisdom it deemed good, not to make those amendments to the bill before sending it back to the House of Commons. I have not changed my view on that, but I want to make it clear that even at that time I did not criticize the Senate for undue haste in dealing with the bill. If I may, honourable senators, I should like at this point to place on the record what I did say at that time. I quote now from the report of our *Debates* of December 21, 1971, where I said:

> I can summarize the feelings of honourable senators who voted against amending the bill by saying that the Standing Senate Committee on Banking, Trade and Commerce has done excellent work over a long period of time in considering the summary of the bill and, to some extent, the bill itself, and it has achieved a measure of success in improving the bill. I do not deny for a moment that it is a better bill than it would have been without the incorporation of many amendments which were suggested by this committee.

Then I dealt with the other matter. In speaking of the work of the committee last night I suggested that Senator Hayden had been unnecessarily modest in not making more reference to the tremendous input of the Senate into Bill C-259, even in the imperfect form in which it passed this Parliament.

Hon. Mr. Benidickson: And the study of the white paper.

Hon. Mr. Grosart: And the study of the white paper. I mentioned the figure 40 as the possible number of amendments that might have been made by the Senate in the bill as it first appeared. The actual figure according to the then minister was 44. I would like to put this on the record again. I think it is important that we straighten this situation out. On December 13, 1971, the minister told the committee:

> Now I would like to indicate the appreciation of the government and, indeed, of myself for the work done from the beginning by this Senate committee on the tax legislation. Relating the reports produced by the committee with respect to the White Paper on Taxation to the budget of June 18, if I recall correctly, some 44 recommendations of the Senate committee which were adopted in Bill C-259.

There is something incomplete in the reporting, but what he was saying is obvious, that 44 recommendations from the Senate committee appeared in Bill C-259. The report continues:

> Since debate on the bill commenced in the House of Commons this fall, the Senate has been considering the subject matter and has so far made two reports. We have studied these very carefully, and have made certain amendments in the House of Commons. I think of such amendments as those with respect to credit unions and co-operatives, as well as a great many other technical amendments, as being in conformity with the suggestions of this committee. I would like to repeat that your recommendations have

been very helpful and will be the subject of our continuing study. An amending bill will be introduced next spring as, indeed, there always is an amending bill to a taxation statute.

Of course, it came the spring after, which is the present time.

I put that material on the record, honourable senators, because I for one am becoming tired of hearing and reading this suggestion that the Senate passed that particular bill in indecent haste. We passed it in decent haste in view of this record, because, as I recall, the committee was charged with the substance of the bill on September 8. It reported on November 4 and 30 and again on December 13. So it can hardly be said that that was indecent haste, particularly in view of the fact that that bill was not sent to a standing committee in the other place; therefore those who wished to object had no opportunity. The only opportunity for those who wished to register any infringement of their interests was before the Senate committee.

I might say the same thing has happened with this bill. This particular bill, again, went to the committee of the whole in the other place, where representations from those who may be affected are, of course, restricted, whereas here it will at least go to our standing committee. Naturally, I regret, and I am sure the chairman of that committee regrets, that we do not have time to allow those who may wish to object to some of the provisions to come before our committee as they did before the other. I am sure if that happened there would again be amendments to this bill as a result of its consideration by our committee.

I have commented on this undue delay and I think, again, it is quite proper for me at least from this group in the Senate to protest what has happened. It is a long, long time since May 8, when the 1972 budget was introduced. Here Canadians have been asked to live and work in a state of complete uncertainty as to what the law is. Hundreds of thousands of Canadians are waiting anxiously for refunds on their income tax, to which they are entitled. By and large, these are Canadians who can ill afford to allow their money to be locked up in the Consolidated Revenue Fund, which certainly does not need it. One of the reasons why it is necessary—and I agree it is necessary—for us to pass this bill expeditiously is in order to make it possible for them to receive their cheques, which I am told are ready. I believe that the moment the bill receives royal assent, the cheques will go out.

• (1120)

There are, of course, benefits contained in the bill, which Senator Hayden described so well last night. There are benefits to pensioners with respect to the increase in the exemption. Even that is interesting. The minister said, and the newspapers have told us, that there is an increase in the exemption from $650 to $1,000. That is not true. The increase is from $500 to $1,000.

Honourable senators may ask, "Where did this $650 figure come from?" During this long stretch when the government was dillydallying with this, postponing matters, legislation was introduced increasing the exemption to $650, but such was the delay and the absurdity of the situation that this act of Parliament never did come into effect. So the increase is from $500 to $1,000. If anyone wants a better example of inordinant, unnecessary, inexcusable delay, it can be found in the fact that actually we overrode an act of Parliament.

Benefits apply also, as Senator Hayden said, to blind and disabled persons. The provisions will be found in sections 34, 35, and elsewhere.

There is also an exemption for students, which I am sure all senators will agree is necessary. There is also a provision regarding transportation to hospital. I will comment on that in a moment.

The farm legislation presents some problems. As honourable senators will recall, the original position taken by the government was that the same treatment in respect to capital gains should apply to the family farm as to any other operation of a similar nature. The farm was regarded as being just another industrial undertaking. The government then had a change of heart, and I compliment them on that. When this bill was originally introduced, they amended their stand and incorporated a provision, which Senator Hayden outlined last night, to the effect that on the death of the owner of a private farm, the farm could pass to his child, or, as the act says, to his child's child or to his child's child's child; in other words, in direct line down through the generations.

Again this was found to be unsatisfactory. Representations were made during the period that the bill was passing through the house and the minister introduced another amendment making it possible for this transfer, without attracting capital gains, to be permissible, as lawyers say, *inter vivos*—that is, the owner of a private farm or his beneficiaries did not have to wait until his death before the benefit could be received. It is now possible to transfer ownership of a farm, without attracting capital gains, to a descendant of certain degrees of lineage while the original owner is still living. The situation indicates the difficulty which this kind of exemption in legislation causes. Immediately there was a demand that it be extended to partnership situations, where a farm was held by several members of a family on a partnership basis. The minister resisted this. Understandably the same kind of pressure was applied that it be extended to the corporate farm.

Good examples were given. If one brother in a family took over the family farm, built it up and, in his lifetime, increased its value perhaps to $100,000, he would be able to pass on that increased value without attracting capital gains.

On the other hand, if his brother took a farm machinery distributorship in a nearby town or village and did the same thing, built it up and increased its value to $100,000, he would not be able to transfer it, either during his lifetime or at his death, without attracting capital gains. No doubt, if this extension were made, it could be possible to argue that there is no where this would end. However, the theory is that there is particular social value in maintaining the family farm.

It is my intention, because of the time limit, to skip a good deal of what I might otherwise have said. I men-

tioned earlier that there was a glaring omission in this bill and, of course, there is. The glaring omission is that there is no reference to those measures of corporate tax relief which would normally have been in this bill and which were in its predecessor. I do not need to discuss at length the reasons why.

I started my remarks on this bill with a reference to Julius Caesar. That reference, of course, recalls in this particular context Caesar's crossing of the Rubicon. I looked up the definition of that well-known phrase in the dictionary just prior to coming down and was interested to find the following: "To take the irrevocable, decisive step by which one is committed to a hazardous enterprise." That, of course, explains exactly why the corporate tax reforms are not to be found in this bill. If there is any doubt on that score, I can quote a leading spokesman for the socialist party who said somewhere, officially speaking for his party, "Our party remains firm against any proposal introduced by a Liberal government, a Conservative government, or anyone else that would give corporations a greater tax break or more benefits, and the members of this party will vote accordingly."

The minister still has his Rubicon to cross, and we will all be on the banks watching with breathless interest whether he makes it. Some of us will be cheering him on; some of us, not wishing him any bad luck, not wishing that he drowns in the Rubicon but that at least he gets pushed back onto the other bank in due course by the populace.

I might make a few brief comments relating to minor clauses in the bill which were not dealt with by Senator Hayden, largely because they are minor. Senator Bourget asked whether his profession of engineering was included in the reasonable reserve reduction clause, which I believe is clause 8. Were he present this morning I would tell him that the phrase used is "a business that is a profession." This is a phrase that is used continuously in Income Tax Acts, and I think its meaning is clear.

Honourable senators who are interested in the problem of bilingualism and the government's efforts to extend it in Canada will, I know, be interested in the reason for quite a number of the clauses in this bill which are said to be there to clarify the French version of Bill C-259. I could mention a few. Clauses 15, 23, 31, 35, 50, 62, 69 and 74 are there merely to tidy up the French that was used, presumably officially, by the Government of Canada.

I have not inquired into the details, nor do I intend to. This is an area in which angels should fear to tread, although some angels or Anglos, such as the Official Languages Commissioner, do not always fear to tread. Those of my colleagues who are proficient in both languages might be interested in this apparent inability on the part of the government to translate words into the French language. They will find examples of this in the clauses I enumerated, if they wish to dig into them.

• (1130)

There are several matters I would hope to have elucidated when the bill is in committee, and I am sure they will be. Perhaps I might mention one, since I may not be present at the committee meeting. I regret to say I am no longer a member of the committee, due to the necessity to cut down the membership of our committees. As I am on the Standing Senate Committee on National Finance, I have been relieved of my responsibilities on the Standing Senate Committee on Banking, Trade and Commerce.

Perhaps Senator Hayden can give me an answer to this question before the bill goes to committee. In clause 35 special treatment is to be given to bonds of the International Bank for Reconstruction and Development, the Asian Development Bank, the Caribbean Development Bank, and the Inter-American Development Bank. I would be interested in knowing if the special treatment given to those bonds makes them a better buy than some others at the present time.

When this bill is passed, many Canadians will heave a sigh of relief, because Parliament will have finally taken them out of a life of living in sin. The government has urged us all to live in sin, to disregard the law when we are making out our income tax forms, to pretend the law is not what it is, to report to the Government of Canada a situation that is not so, that is untrue and illegal. When this bill is passed, those citizens, many of whom I presume have already made out their income tax forms, will be relieved to know that they will be cleansed, purged of this sin of which the Government of Canada has been a party and the provocation.

Hon. W. M. Benidickson: Honourable senators, I want to say only a word or two. I would not think of attempting to speak about the bill itself. It is a document of 137 pages, which was introduced in this house only yesterday. I do, however, want to congratulate Senator Hayden and Senator Grosart on the fact that they obviously anticipated this legislation and did their homework before the bill was formally put before this chamber. This is typical of the foresight displayed by Senator Hayden, the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, particularly with reference to that very extensive new basic tax bill, Bill C-259, which resulted from the White Paper on Taxation. The study of that white paper required many months of deliberation by senators, as well as by a committee of the other place.

I agree with both Senator Hayden and Senator Grosart in their reiteration of a very justifiable protest against the treatment by the media of the time spent formally by the Senate in passing Bill C-259 near the end of 1971. Again this chamber was subjected to a pre-recess rush. We were faced, as I recall it, in December 1971, with a Christmas adjournment, and in addition emphasis was placed upon the fact that basically Bill C-259 made provision for taxes that would commence on January 1, 1972, little more than a week after we had received the bill.

I repeat—and it cannot be repeated too often—the criticism of the time spent formally in this chamber on that bill was unjustified. That time may not have been extensive, but the fact that it was possible to deal with it in that time was due to the foresight of the chairman of our committee, who started the study in a rather unorthodox manner, but in what proved to be a very worthwhile way.

Hon. Mr. McIlraith: An effective way.

Hon. Mr. Benidickson: An effective way. That study started in September, and hours and hours were spent on it in anticipation that a bill would eventually reach us. However, it reached us only a few days before January 1,

1972, when many of the important provisions of the bill were to become effective.

While on this subject, I should like again to congratulate the Leader of the Government who, on our behalf, after this criticism developed, took great pains personally to do his best to defend the position of the Senate, and to explain to the public, particularly through a widespread communication with the press of the country through letters to editors, the worthy, conscientious work that had been done for three months prior to the introduction of the bill itself in a normal or formal parliamentary manner.

As I say, honourable senators, I will not speak to the clauses of this bill. Although for two or three years I participated in the study of the white paper and Bill C-259, and have a great interest in this subject, with the reduction in the size of our committees I, like Senator Grosart, am no longer a member of the Standing Senate Committee on Banking, Trade and Commerce. However, as is the custom in this place we are able to participate in the committee sittings. Our limitation is simply that of not being able to vote, although seldom is it necessary to have a vote in committees of the Senate. Nonetheless, my interest in this legislation continues, because I think that I conscientiously and devotedly spent a great number of hours on the study that preceded the necessity for even this legislation before us today.

Senator Grosart said he was protesting for his "group" the timing of the presentation of legislation of this type. I assure him that protests do not come from his group only. There is a feeling in all parts of the house that too often we are presented with what might be called a sugar-coated pill. I recall that this happened in 1970, when I personally protested vigorously. I think only two days prior to the Christmas recess we were given some goodies in the nature of increases for old age pensioners. I predicted then that without an escalation provision for inflation it was unfair and undesirable. Well, that proved to be correct, because in legislation in subsequent years there is provision, although not adequate in my opinion, for escalation of the basic old age security payments if the cost of living rises.

We had the same kind of crunch on something important presented to us in the form of Bill C-259. We are in the same position today, when we are presented with a bill of 137 pages. The time limit for payment of income tax for 1972 without penalty is April 30, just a couple of weeks ahead, and in the normal course we anticipate having an Easter recess which will commence in two days' time. Again we have a bill that contains, as Senator Hayden and Senator Grosart have outlined very efficiently and in understandable language, many benefits that hinge upon its passing. While the Standing Senate Committee on Banking, Trade and Commerce will give this bill as much detailed scrutiny as was given it in committee of the whole in the other place, we are again under this crunch of, "Pass it in two or three days, otherwise there will be difficulty in the payment of benefits resulting from refunds that are properly due to very needy categories of our citizens."

[Hon. Mr. Benidickson.]

• (1140)

Honourable senators, inasmuch as I do propose, notwithstanding the fact that I am not a member, to attend the meeting of the committee this afternoon, I shall not say anything further. I assure Senator Grosart that we continue to feel too often that in respect of important legislation we get a bill that is generally beneficial and a holdup is undesirable but, by reason of prospective recess or calendar problems of another nature, we have to act quickly, or take the consequence of doing harm to those who otherwise would receive earlier benefits.

Hon. L. P. Beaubien: Honourable senators, this is a pretty formidable bill, as you can see. It has been exceptionally well explained by the sponsor, Senator Hayden. Senator Grosart has done well to point out exactly what has happened, and where the Senate stands in this matter.

This is an amending bill that we insisted on in December 1971. The only reason I rise now is that I was one of those who thought that a bad bill was better than no bill, and so I voted for it in 1971. I felt that the Canadian people had a right to know where they stood in relation to this important tax bill. We were assured in December 1971 that an amending bill would come in the spring. Here we are, a whole year later, with a bill in front of us at last, which, to my mind, has not been examined in the other place at all.

I cannot understand how the House of Commons can pass bill after bill, giving them no thought, no examination, and without seeming to understand what they have done. Why should we as a body be criticized now? I suppose some criticism that has been brought up at this time results from the unfortunate remarks that the honourable senator from Toronto-Spadina (Hon. Mr. Croll) made in the Senate a few weeks ago.

If you look at the record of what has been done in the other place in the last year or so, you must ask yourself why anyone would want to criticize the work of the Senate. We have been ready, willing and anxious to have these bills brought before us so that we can examine and study them, and do something with them.

Honourable senators, let us realize that half the budget of a year ago, February 1972, the one which dealt with the reduction in the corporation tax in manufacturing industries, has not been introduced in the other place yet. Public companies are publishing statements stating that when their tax position is clarified they will be able to give their shareholders an idea of where they stand. If the Senate is to be criticized it should be because it has not fought hard enough to make the other place carry on its business in such a way that, between us, we can study tax bills in a satisfactory manner and pass them into law promptly.

Hon. Daniel A. Lang: Honourable senators, I shall not keep the house more than a few minutes, but I cannot refrain from saying a few words which are prompted by curiosity aroused by Senator Hayden's remarks yesterday evening in connection with one specific clause of this bill, namely, clause 6. You will recall that Senator Hayden mentioned the changes which this specific clause introduces with respect to farmers keeping livestock.

As I read clause 6, it permits a farmer who buys a bull for, say, $10,000 in one year to write that cost off, either 10, 15 or 100 per cent, against his income for that year. In the subsequent year he can write off against his income what he included in the previous year.

Unless I am grossly mistaken—and I hope Senator Hayden will correct me if I am—what this is creating in depreciation for agriculture is exactly the same sort of device that companies and corporations have which enables them to write off machinery and equipment purchased by them during the year.

I am greatly in favour of farmers, and greatly interested in rip-offs. Anyone who wishes to rip off big government is perfectly entitled to do so, as far as I am concerned, as long as he does it within the law. But I see here, not a denial in legislative terms of what featured so prominently in the last election, namely, the corporate rip-off, but rather an extension of that principle to the agricultural community by way of what I might call a "livestock rip-off."

I want to commend the ingenuity of the designers of this bill for this clause. I hope it brings to those who raise livestock as much personal gain and benefit as is imputed to those who buy machinery and write the cost off against their corporate profits.

Hon. Jacques Flynn: Honourable senators, I wish to say a few words to clarify some of the remarks made this morning. It seems that we have been speaking out of both sides of our mouths. We have said that the Senate was unjustly criticized for having rushed through the income tax bills and other legislation on previous occasions, with only a couple of days of debate. At the same time we contend that, in this particular case, we have taken a lot of time and have studied the bill.

We should realize that what is unfair is to say that the Senate had not studied the particular piece of legislation, because it had, for three months. But the Senate was rightly criticized for having rushed it through when it finally did come to us.

• (1150)

I recall that when Senator Hicks made his speech in the debate on the Address he had some criticism to make of this piece of legislation. At page 19 of *Debates of the Senate* for January 9, 1973, Senator Hicks said:

> I find the act most difficult to understand, and, what worries me even more, a good many of my chartered accountant friends tell me that the act is difficult to understand.

Well, certainly, one position many of us took at the time we were considering this legislation was that we should take the time needed to bring in amendments. But that does not mean we have to debate at length; it means merely that on occasion we need to have time to reflect.

A few days ago Senator Hicks had this to say about me, as reported at page 511 of *Debates of the Senate* of April 12:

> On the other hand, it seems to me that in many instances that have occurred during the year I have been here, our honourable and genial friend the Leader of the Opposition has actually spent more time criticizing the time schedules and the lack of time to debate and discuss legislation than he has subsequently spent in debating the merits of that legislation. Perhaps I am going further afield than I ought—

I want to point out to the Senate the idea that, being here as a body of second thought, we should not be rushed; we should have time to reflect. It is not necessary for us always to be debating; it is not necessary for us to spend three of four hours at a time, or to spend weeks and weeks, debating a particular matter, but at least we should have time to study and decide whether we need to amend particular bills.

It is easy enough to second-guess, but it seems to me that in December 1971, when we had the bill to amend the Income Tax Act before us, we were all agreed that if we had not been rushed by the imposition of the time limit of December 31, we would most probably have brought in certain amendments at that time which would have clarified the situation and would have been most helpful to the Canadian people. It is because we did not do that that we have been criticized; it is not primarily because we rushed the bill through.

We knew the defects of the bill very well, but because of the deadline imposed on us by the government we did not dare to bring in the amendments we knew should be made. We could not take that decision; we could not take the time to reflect upon whether it was the proper thing to do. But there is a difference between taking time to debate and saying nothing, and taking time to reflect and doing something.

Hon. Salter A. Hayden: Honourable senators—

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Hayden speaks now his speech will have the effect of closing the debate on second reading of Bill C-170.

Hon. Mr. Hayden: Honourable senators, I have one or two remarks to make. First, I want to thank Senator Grosart and Senator Benidickson for their kind references to me. However, I should like to remind them of something they know very well, that we had a full membership on that committee, and that it was a good membership which devoted itself to working on this bill. It would not have been possible for the committee to accomplish the work that was accomplished if we had not enjoyed the able and intelligent assistance of the members, and if we had not had their full co-operation in attendance at meetings. The members of the committee attended meetings whether the Senate was sitting or not. Even during recesses the committee members came back to deal with the report. They were here during the summer holiday season, as were the officers and advisers of the committee who also worked in July and August preparing the report, particularly that on the white paper.

Moreover, it was necessary for us to condense the substance of Bill C-259 in the period of time from September to December, and we succeeded in doing so. But as I told the Senate on one occasion, some of the staff worked through until two and three o'clock in the morning in order to get the work done. We are not now asking for any congratulations for having done that. The job had to be done; we were assigned to do it, and we did it.

The only thing I have found irritating has been any reference to undue haste, or the measuring of time that is spent on a bill in the House of Commons as against the time spent on it here. I have never thought that because you take a longer time to consider something you have more intelligence. My feeling is that it may well be that it is stupidity which requires additional time in order to be able to comprehend what is in a bill. Therefore, as a measuring stick, length of time makes no impression on me. It is an idle, senseless sort of criticism.

The real measure is what has been accomplished. If you can do it faster, so much the better. That is why some lawyers get more work than others—they can do things better and faster. These are important considerations. These are the measuring tapes that should be used.

But if this time the assessment is going to be made on the basis of time, then I suppose when we are through with this bill we will have spent about the same time on it as was spent in the House of Commons, and so perhaps our critics on this occasion will have to say that the Senate has done a very good job; that it has shown no undue haste, but has taken at least as long as the House of Commons.

Senator Lang invited me to make some comment on clause 6. I thought I had made sufficient comment on it last night in explaining the plan of the thing and how it could work, but if it is intended to be a farm rip-off, as my friend suggests, I gather he would approve of that as such. Whatever it is, all I have done is to indicate to you my opinion of what kind of action can be taken under that clause. Whether this was the primary intention when the bill was drafted, I am not sure. Neither am I sure that the scope you find in this clause, and the length to which it goes, was fully conceived or appreciated when it was drafted, but now it is out in the open and if it is a farm rip-off, well, this bill has been approved in another place where a corporate rip-off was decried as being a very bad thing and fatal to the economy of Canada. The interesting thing is that the very people who said that are the ones who approved clause 6. If it is in fact a rip-off for farmers, then they will have to adjust their thinking processes to decide when such a rip-off is all right and when it is not. I suppose their answer would be that when the rip-off is given to farmers it is perfectly all right, but when it is given to corporations it is an economic offence or a crime.

Hon. Mr. Flynn: Senator Hays says yes. He says it is all right for farmers.

Hon. Mr. Hayden: He says that it is all right, does he? At any rate, having said so much on this question I do not propose to go into it any further. I would just make one observation about the timing of budgets. Perhaps this will come sooner than might be anticipated, but I think that some time in the future there will be a requirement for budgets to come in by a certain time in a year. That might be a good thing. My own view is that you are entitled to a budget within reasonable periods of time. Whatever the circumstances, or whatever the explanations that may be offered or put forward, for our only getting this bill at this time when it relates to 1972, the general criticism that I have is that we should get budgets as early as possible in the year. That is good for the people, it is good for business and, therefore, it is good for the economy of the country.

• (1200)

I am not attempting to justify the delays. I am trying to be as objective as I can, so that we may more effectively do the job we are supposed to do here, and that is to review the legislation as quickly, but also as intelligently, as we can. If we do things a little faster here than they are done in the other place, I would like to feel that perhaps it is because we have more ability in dealing with these things.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Hayden, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

NOTICE OF COMMITTEE MEETING

Hon. Mr. Hayden: Honourable senators, with your leave, I would call to your attention the fact that the committee will sit at 2 o'clock this afternoon when we shall have before us top officials of the Department of Finance, and at 3 o'clock the minister will be present. If you require any information concerning this bill, then, that is the time to get it. The meeting will be held in our usual committee room, Room 256-5.

As I say, we will be ready to start at 2 o'clock, and we will continue until we have finished our consideration of the bill.

CUSTOMS TARIFF

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Connolly (Ottawa West) for the second reading of Bill C-172, to amend the Customs Tariff.

Hon. Allister Grosart: Honourable senators, so far as the two remaining bills related to the budget of 1972 are concerned, I shall not take up as much of the time of the Senate on them as I did on the previous bill. In applying Senator Hayden's tape measure of time, it would appear that it does not matter how much time we spend on these two bills since we are in very little danger of spending less time on them than did the House of Commons. It is amazing that one at least went through committee of the whole in the other place without a single question being asked or a single explanation being given on any one clause. Therefore it seems to me that we have no great worry about any criteria of time or accomplishment which might be applied to us in respect of these two bills.

I was very glad that Senator Connolly (Ottawa West) in explaining the bill here—and this also applies to the explanation of the minister in the other place—did not claim too much for this bill, the purpose of which is to extend a special general preference to certain products from developing countries seeking access to our Canadian market. As I say, I am glad that not too much is claimed for the

bill, because it is really not one of which Canada can be very proud. In the first place, we took a very strong stand against these preferences when first suggested by the developing nations. The honourable Leader of the Government will appreciate why I make that remark, having regard to the situation with which I was faced when attending a conference in the Caribbean back in 1964. There are perhaps good reasons why the government took that position at that time. It was generally, I think, because they were trying to persuade the developing nations not to get themselves into the same kind of bind of distortion that we had got ourselves into previously. However, over the years, with the insistence of the developing nations and reconsideration by the developed nations, there has come about a general agreement to meet the request of the developing nations for preferential access to markets, and this bill is our response to that general decision of the two sides. We are, of course, somewhat late in doing this in that most other countries have already extended these provisions, including, of course, the European Community.

Hon. Mr. Martin: All countries except the United States, I think.

Hon. Mr. Grosart: The United States is the only country now dragging its heels more than we are, if that is any consolation, as I am sure it is, to the Leader of the Government. We are not the last, just the second last.

Hon. Mr. Martin: I am not very pleased about that.

Hon. Mr. Grosart: We should remember, of course, and this is important, that in this area of trade preferences one of the main causes of friction between the Economic Community and the United States is in this very area of the extension of preferences.

I am also surprised, honourable senators, that while we as Canadians are among the world's loudest proponents of multilateral trade, we are also among the first to put up trade barriers, and some of our trade barriers against manufactured goods are among the highest in the world. While in this instance we are going along with other nations in saying that we will accord this special type of preference, we are at the same time raising non-tariff barriers which are causing grave concern, and in the case of one of which at least, the so-called VTR—Voluntary Trade Restrictions—we seem to have created one of the most objectionable types of barrier in the world today. When I say that I realize it is a broad statement, because the committee of GATT at the time of the Kennedy Round, in investigating these barriers, was able to isolate 800, of which this one of ours is one of the greatest irritants.

I say this, honourable senators, because many of the countries to which we are extending this particular preference will also be the victims of our VTR, and I use the word "victims" advisedly because while the term used is "voluntary trade restrictions" there is nothing voluntary about it. We are also one of the nations leading the parade in giving to our executive increasing powers unilaterally to put any product we choose on the prohibited list under the Export and Import Permits Act. We have even gone so far so to give to the executive special power to penalize any nation which does not live up to our expectations with respect to voluntary trade restrictions. I say this to emphasize the fact that we should not take too much credit for ourselves or do too much flag waving about this particular bill.

Of course, there are safeguards in here. This is the type of safeguard we are told about by the minister even before the bill is passed:

> It is the government's intention to use this authority to exclude from the preferential system at the outset a limited number of sensitive products—mainly textile products for which we have negotiated export restraints—

That is the voluntary trade restrictions.

> —or which have been placed under import control. When the legislation is proclaimed, a complete list of the products to be excluded on this basis will be published by order in council.

Honorable senators, we are asked to pass this bill which is supposed to benefit these countries, and at the same time we are told that we do not know what sensitive products are going to be excluded from it by order in council. The Joint Committee on Regulations and Other Statutory Instruments is going to look at this kind of thing—and I hope this will be one of the first the committee will look at. I suggest it is absolutely absurd to be asked to pass this bill without being given the list of sensitive products to be excluded by order in council. It is the particular type of product that is so excluded by this bill that goes to the heart of the whole act, whether it is any good or not, whether it is something of which Canada can be proud or for which we should hang our heads in shame. My guess is that when that list is published some of us at least will hang our heads in shame, because that word "sensitive" generally means those products for which the country of export, the developing country, needs access to our markets most. That is one of the components of sensitivity in this area.

• (1210)

There are always unfortunate spin-offs from a bill such as this. One will be that it will discriminate to some extent, or remove some of the advantages that the developing countries of the Commonwealth had in trade with us. I do not overstress that point, even though I know we have very sentimental reasons for continuing the preferential entry to those Commonwealth countries over others. Perhaps if we are to maintain our concept of multilateral trade negotiations we can justify the fact that, unfortunately, some of those close ties and bonds of the past will disappear when this bill becomes law.

Honourable senators, that is all I have to say with respect to this bill. There is a long list of products which will be excluded from the benefits by this statute in addition to those excluded by order in council. I hope that if the bill goes to committee, as I hope it will, we will have an opportunity at least to obtain some idea of the scope of the bill in respect to some of the matters which I have discussed.

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Connolly (Ottawa West), speaks now his speech will have the effect of closing the debate on second reading.

Hon. Mr. Connolly: Honourable senators, I thank Senator Grosart for his comments which are very appropriate, certainly from my point of view. This bill does not do everything that the developing countries of the world need in order to expand their trade significantly into the markets of the developed world. However, it is a start.

The criticism that Senator Grosart has levelled at this measure could be levelled at similar measures which have already been passed by perhaps a dozen of the developed countries. I would think that those responsible for the economic welfare of the developing countries would feel that the rich part of the world has not been very generous in the concessions it has given. About the only answer that one can give to such criticism is that we have to make a start somewhere. There is not a developed country in the world that does not have an unemployment problem. I do not suppose it will help the general welfare of the developed countries, or of the world in general, if the unemployment problem in developed countries is aggravated because special concessions are given to the developing nations. I make that comment for what it is worth.

That was probably in the minds of those who discussed this matter, at both UNCTAD I and UNCTAD II, in 1964 and 1968 respectively. Probably as a result of those discussions representatives of the Third World and those of the developed nations felt that some compromise had to be reached. Perhaps at that time this was the compromise most likely to be generally accepted. I hope that in time greater liberalization will be achieved.

In the second place, Senator Grosart quite properly pointed out that the granting of these special general preferences to all developing countries in the world will, in effect, downgrade some of the British preferences now enjoyed by underdeveloped countries of the Commonwealth. That is true. We can think particularly of the countries of the Commonwealth Caribbean because the preferences enjoyed by them in the Commonwealth markets today will now be extended to many countries in the equatorial area which, hopefully, have products for sale in the markets of the developed world. The only effective compensation for the Commonwealth Caribbean countries is that they will have these special preferences in wider markets of the world which they do not now enjoy within the Commonwealth. They will have the same rates, for example, in the European Common Market and in the American market for some of those products that are now granted to them by the Commonwealth preferences but which are restricted to the Commonwealth countries.

Honourable senators, as I say, the legislation is a step in the right direction, although it may not be as long a step as many of us desire, or as many of those who negotiated these matters would want. But I think it is at least an attempt to get the camel's nose into the tent.

If this bill receives second reading, I shall move that it be referred to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Connolly (Ottawa West), bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

[The Hon. the Speaker.]

EXCISE TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Senator Lang for the second reading of Bill C-171, to amend the Excise Tax Act.

Hon. Allister Grosart: Honourable senators will be relieved to know that I guarantee my speeches on these bills are becoming shorter as the bills come along. My comments regarding this bill will be very short, because there is so little in it on which to comment. That again, of course, is because of this extraordinary situation in which we find ourselves of dealing with a budget that is almost a year old, because this bill implements only some of the measures in this particular area of excise tax that were referred to in the budget of May 1972. It does not include other promises of "goodies" which were given in the February 1973 budget. If the government maintains the present pace of implementing its budget proposals we will be receiving the second part of this and the other bills next February. Perhaps the government might guarantee that we would not receive them on Christmas Eve or New Year's Eve.

• (1220)

Hon. Mr. Martin: I have said that I would be happy to be able to give that guarantee.

Hon. Mr. Grosart: The bill raises the whole question of excise taxes, particularly sales taxes, which are a form of excise tax. This is an ad hoc amendment, a series of necessary and useful changes, again to give relief from the tax to certain deserving beneficiaries.

Senator Lang gave us an excellent explanation of the bill, and I will not go into it in any detail. It is a short bill, and I commend its purpose to exempt eye glasses and contact lenses from the 6 per cent sales tax, and to extend complete exemption from sales tax on goods produced by the labour of individuals who are (a) blind, (b) deaf and dumb, or (c) mentally retarded. There is also exemption for machinery and apparatus acquired by manufacturers or producers for use by them in the development of manufacturing or production processes, or the development of goods for manufacture or production by them. The bill also provides for an exemption on chemical goods used in municipal sewerage systems.

I would be interested to hear any comment that Senator Lang might make, or that might be made, in committee, if it is the intention of the Senate to send the bill to committee, on the scope of that exemption from sales tax on machinery and apparatus acquired by manufacturers for use by them in manufacturing or development processes, or for the development of new goods to be manufactured by them.

This seems to have tremendous scope, yet there has been very little comment on it. I wonder how far it goes. Does it refer to all machinery and apparatus after the development of new goods? If so, how are the goods to be defined? Is there a joker in this? Is there a hidden restriction that does not appear on the surface? I do not know whether Senator Lang is in a position to answer that, or whether he might suggest that the bill go to committee with the other bills in order that we might explore this point a little further.

One regrets to hear, of course, that some provinces—even provinces that otherwise are extremely well governed by the right kind of government—are increasing their sales taxes, so that Ontario has almost caught up with Quebec in its provincial sales tax. I think that in Ontario it is 7 per cent, and in Quebec it is 8 per cent. Therefore we can welcome any decline in the level of federal sales tax. I need hardly say that we on this side of the chamber are still hoping for the day when the sales tax will be taken off building materials used for the construction of dwellings. It has always been a mystery to me why the government has not moved in that direction. I do not think it is a matter of revenue, because indications are that revenues this year from the present rate of taxation will exceed not only the requirement in the estimates but even the expectations of the government, despite the fact that the government has had the wisdom to adopt a major change suggested by the Official Opposition in the other place.

Honourable senators, that is all I have to say on this bill. I shall not insist that the bill go to committee. I will leave it to the sponsor to decide in his wisdom whether it should accompany the other bills to committee.

Hon. Daniel A. Lang: Honourable senators—

The Hon. the Speaker: If the Honourable Senator Lang speaks now, his speech will have the effect of closing the debate on second reading.

Hon. Mr. Lang: I should like to reply briefly to the point raised by Senator Grosart regarding expansion of the definition of equipment used in manufacturing or processing. As I tried to explain last night, and as I understand it now, in order that this machinery and equipment may be exempt from sales tax, as the law now stands, it must be used directly in the manufacturing or production processes.

I suggested last night that instead of having these vast sections broadening the meaning of the word "directly", we could say "directly or indirectly" and let the administrative process define the meaning of those words. But we have not gone that far in the bill. We have said "used directly;" but we have extended it to say not only in manufacturing and production but also in the development, manufacture and production.

Hon. Mr. Flynn: Could it be left to the discretion of the minister?

Hon. Mr. Lang: Exactly. We are only getting into a narrower spectrum of refinement.

Hon. Mr. Flynn: It used to worry the Senate a lot.

Hon. Mr. Lang: The other point raised is again an elaboration on that question. It includes plans and materials used for these purposes.

An underlying consideration in both these amendments is to encourage research and development work in connection with manufacturing processes which, under the law as it now stands, would not be used "directly." In my opinion, it is a beneficial change. I do not know whether it will, but it should encourage further innovation in our manufacturing sector.

Honourable senators, I appreciate very much Senator Grosart's willingness to allow the bill to proceed to third reading without going to committee, and I propose to make a motion to that effect, unless honourable senators wish to express contrary views.

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 Lang, bill placed on the Orders of the Day for third reading at the next sitting.

Hon. Leopold Langlois: Honourable senators, as there is a possibility of further legislation coming to us today from the other place, I move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 5 o'clock this afternoon.

The Senate adjourned during pleasure.

At 6 p.m. the sitting was resumed.

INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees:

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-170, to amend the statute law relating to income tax, and had directed the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CUSTOMS TARIFF

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-172, to amend the Customs Tariff, and had directed that the bill be reported without amendment.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EMERGENCY GOLD MINING ASSISTANCE 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-130, to amend the Emergency Gold Mining Assistance Act.

Bill read first time.

Hon. Maurice Bourget moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Hon. Mr. Flynn: Who is sponsoring the bill?

Hon. Mr. Bourget: I am sponsoring the bill.

Hon. Mr. Flynn: We had better say that we reserve the right to request the application of the rules if the sponsor is not convincing in his reasons as to the urgency for passing this bill right away.

Motion agreed to.

PUBLIC SERVICE STAFF RELATIONS 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-178, to amend the Public Service Staff Relations Act.

Bill read first time.

Hon. George McIlraith moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Hon. Mr. Flynn: With the same conditions applying to Senator McIlraith that apply to Senator Bourget. There is to be no discrimination.

Motion agreed to.

EXPORT DEVELOPMENT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-3, to amend the Export Development Act.

Bill read first time.

Hon. George van Roggen moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Hon. Mr. Flynn: On the same conditions.

Motion agreed to.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Wednesday, April 18, 1973, at 11 o'clock in the forenoon.

Hon. Mr. Flynn: Honourable senators, the motion will be agreed to on the understanding that that will give us time to find out what has really happened in the other place—

Hon. Mr. Martin: Their unusual speed.

Hon. Mr. Flynn: —to cause this unusual situation in which we receive three bills in the space of five minutes.

Hon. Mr. Langlois: Reckless urgency.

Hon. Mr. Martin: Honourable senators, before we adjourn may I say, with respect to these bills that will be passed, that His Excellency the Governor General intends to be present tomorrow for royal assent. I thought I should say that, honourable senators, in the hope that we shall have a more than ordinary representation to greet His Excellency at 5.45 p.m. tomorrow.

Hon. Mr. Flynn: I hope the same message is conveyed to the other place.

Hon. Mr. Martin: I am sure we will have more luck with it than they will.

Hon. Mr. Phillips: Honourable senators, may I draw your attention to something by asking: Is it not customary that His Excellency only attends just prior to election talk?

Hon. Mr. Martin: I can assure the honourable senator that there is no possible connection.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Wednesday, April 18, 1973

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Report of the Master of the Royal Canadian Mint, including accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—FIRST READING

Hon. Herbert O. Sparrow presented Bill S-5, to amend the Farm Improvement Loans Act.

Bill read first time.

Hon. Mr. Sparrow moved that the bill be placed on the Orders of the Day for second reading on Tuesday, May 15, 1973.

Motion agreed to.

INCOME TAX

CROWN CORPORATIONS—REQUIREMENT TO PAY TAX ON NET INCOME—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, I should like to reply to a question asked by Senator Everett on April 12. He asked this question:

> I would like to inquire whether all crown corporations are required to pay taxes on net income and, if so, whether any crown corporations are at the present time exempted from this requirement?

I have now been advised by the Department of National Revenue that all those crown companies listed in Schedule D in the Financial Administration Act are subject to income tax. Schedule D reads as follows:

SCHEDULE D

Air Canada
Canada Deposit Insurance Corporation
Canadian Broadcasting Corporation
Canadian Overseas Telecommunication Corporation
Cape Breton Development Corporation
Central Mortgage and Housing Corporation
Eldorado Aviation Limited
Eldorado Nuclear Limited
Export Development Corporation
Farm Credit Corporation
National Railways as defined in the *Canadian National-Canadian Pacific Act*, chapter 39 of the Revised Statutes of Canada, 1952
Northern Transportation Company Limited
Polymer Corporation Limited
The St. Lawrence Seaway Authority
The Seaway International Bridge Corporation, Ltd.

R.S., c. 116, Sch. D; 1967-68, c. 6, s. 31; 1968-69, c. 39, s. 38; SOR Con. 1955 Vol. 2, p. 1400; SOR/55-224; SOR/59-174; SOR/63-110; SOR/67-401; SOR/69-262, 484.

Those crown corporations listed in Schedules B and C of the Financial Administration Act are not subject to tax on net income. Schedules B and C read as follows:

SCHEDULE B

Agricultural Stabilization Board
Atomic Energy Control Board
Director of Soldier Settlement
The Director, The Veterans' Land Act
Dominion Coal Board
Economic Council of Canada
Fisheries Prices Support Board
Medical Research Council
Municipal Development and Loan Board
National Gallery of Canada
National Museums of Canada
National Research Council of Canada
Science Council of Canada
Unemployment Insurance Commission

R.S., c. 116, Sch. B; 1957-58, c. 22, s. 15; SOR/63-430, 431; SOR/68-151; SOR/69-257, 305.

SCHEDULE C

Atomic Energy of Canada Limited
Canadian Arsenals Limited
Canadian Commercial Corporation
Canadian Dairy Commission
Canadian Film Development Corporation
Canadian Livestock Feed Board
Canadian National (West Indies) Steamships, Limited
Canadian Patents and Development Limited
Centennial Commission
Crown Assets Disposal Corporation
Defence Construction (1951) Limited
National Battlefields Commission
National Capital Commission

National Harbours Board
Northern Canada Power Commission
Royal Canadian Mint
Uranium Canada Limited
R.S., c. 116. Sch. C; SOR Con. 1955 Vol. 2, p. 1400; SOR/55-224; P.C. 1960-1684; SOR/63-72; SOR/66-559; SOR/67-230; SOR/68-68; SOR/69-270.

Hon. Mr. Flynn: Where is Polymer Corporation in those schedules?

Hon. Mr. Martin: Schedule D.

Hon. Mr. Flynn: So it pays tax.

EXCISE TAX ACT

BILL TO AMEND—THIRD READING

Hon. Daniel A. Lang moved the third reading of Bill C-171, to amend the Excise Tax Act.

Hon. Jacques Flynn: Honourable senators, I was wondering whether Senator Lang had a more precise answer to the question put to him yesterday about how machinery and apparatus mentioned in paragraph (5) of section 2 should be defined.

Hon. Mr. Lang: I thought I had explained it with complete lucidity yesterday.

Hon. Mr. Flynn: Yes, I agree. You also explained it with complete frankness, too, by saying that you did not know. I thought you might have learned something since yesterday.

Hon. Mr. Lang: I learn something every day.

Hon. Mr. Benidickson: Honourable senators, I have spoken to Senator Lang about this and I have asked for an explanation which I now think should be put on the record.

The printed copy of Bill C-171 that was provided to me here at my desk has explanatory notes, and opposite clause 2(2) there is reference to the fact that the amendments would provide exemption not only for eyeglasses, which the sponsor mentioned in his speech to us, and contact lenses and other optical articles and materials, but it also refers to hearing aids and batteries for use therewith, speaking aids and batteries for use therewith, prepared surgical sutures and so on. However, I do not see any reference to those items in the proposed amendment to the statute.

Hon. Mr. Lang: Well, as honourable senators are aware, notes have no legal effect and obviously there has been a misprint in these notes because those items referred to in the notes are not carried in the clauses themselves.

Hon. Mr. Benidickson: That is a pity.

Motion agreed to and bill read third time and passed.

INCOME TAX ACT

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-170, to amend the statute law relating to income tax.

[Hon. Mr. Martin.]

Hon. Mr. Manning: Honourable senators, before this bill is read the third time I wonder if I might ask the Leader of the Government in this house what the procedure will be in the case of those persons who have filed income tax returns and whose status may be affected by provisions in these amendments which are retroactive to the beginning of 1972? In connection with a number of the more important provisions it was made known that these changes were proposed, and undoubtedly many returns have been filed on that basis. However, there are some provisions in the bill which could affect the amount of tax payable by certain individuals who have already filed returns without a knowledge of these amendments. For that reason I now wish to ask if it is the responsibility of the individual taxpayer to file a supplementary return claiming the benefits of these provisions or will they be processed by the department without any action on the part of the taxpayer?

Hon. Mr. Martin: Honourable senators, I know of a situation just like this, and I made some inquiries and as a result I think the safest thing to do is to make an amended return.

Hon. Mr. Flynn: During the course of the committee hearings it was indicated by Mr. Cohen that all these returns would be reviewed by the department, and I think it should be the responsibility of the department to do that.

• (1110)

Hon. Mr. Martin: In my opinion the responsibility rests with both sides. I know of the situation and I called them, as a matter of fact, only this morning. I agree with the Leader of the Opposition that there is a responsibility on both sides.

Hon. Mr. Manning: I think we have to recognize that there will undoubtedly be a considerable number of taxpayers who cannot possibly become aware of these amendments, who have already filed returns and whose tax picture will be changed. Surely we should not penalize them because a bill is retroactive for over a year. They should not lose a particular tax benefit because they are not knowledgeable of it. My concern is that they should be advised by the department of such retroactive changes.

Hon. Mr. Martin: I will also draw this to the attention of the minister today.

Hon. Mr. Benidickson: Honourable senators, in connection with Bill C-170, which was studied clause by clause with respectable thoroughness in the Standing Senate Committee on Banking, Trade and Commerce yesterday, I raised the point that I considered it not to be proper, when amendments have been made to a bill in the other place, to present that legislation to a Senate committee without a new printing of the bill. We received at our desks a copy of Bill C-170 as originally introduced in the House of Commons. This is a complicated, technical and, for most people, hard to understand bill. As introduced, however, it contained explanatory notes indicating to which budget resolutions the various clauses referred, et cetera, in addition to other assistance to those studying the bill. To my surprise yesterday when we met at committee we were given at our seats in committee another printing of Bill C-170, presumably as passed after third

reading in the House of Commons. Several changes had been made in committee in the other place during the interim. I do not believe this is an invariable practice, to eliminate explanatory notes on presentation to the Senate. It is particularly undesirable in the case of a technical bill of the legal complications of Bill C-170. I therefore raised the point yesterday, and the proceedings of the committee will contain my comments and the explanations given with respect to this. Several of those sitting with me found, as I did, that they were handicapped and could not question with the facility they would wish when presented with a complete blank on every page at the right of the printing of this version we were supposed to consider in detail. This involves an additional handicap, because on the left-hand page, which contains the amendments themselves, originally there were underlinings to warn of and indicate changes. The original printing of the bill also contains on the left-hand side with the amendments vertical black lines indicating where new sections have been added in the amending bill. I suggest—and I draw this to the attention of our Law Clerk—that there should be consultation with the Queen's Printer, pointing out that after third reading, when a bill is presented to the Senate for study—bearing in mind the fact that almost every bill goes from this chamber to a committee of the house for detailed study—explanatory notes are necessary for the Senate just as much as they are when the bill proceeds through the House of Commons.

It does not seem to be an impossible task to ensure that, between the time when the bill passes third reading in the House of Commons and is presented in this chamber, amendments made in the other place are contained in the copy of the bill that we receive here, and that we have explanatory notes that are completely up to date. If this is not done, it becomes an impossible exercise. Yesterday I had to use two bills as we proceeded in our study of Bill C-170. The bill as originally introduced in the House of Commons contained explanatory notes on the right-hand pages, and there were 137 pages. Together with that copy, I had to look at the new printing given us at the committee meeting without explanatory notes, and the page numbering was completely different. Every now and then the chairman would say that we were proceeding to page such and such, but because of the amendments made in the other place, and the amended version being four pages longer, I had to find the corresponding page in the original version with the explanatory notes.

I repeat that our Law Clerk should consult with the responsible authorities, because I do not think it is an invariable practice to eliminate explanatory notes for work to be done in the Senate. We should have the benefit of explanatory notes underlying the changes in the bill which have taken place between first and third readings in the other place, and we should know what to concentrate on in respect to these changes when in our committee.

Hon. Mr. Rowe: Without delaying unduly the business of the Senate, I should like to support my colleague, Senator Benidickson, in what he has said.

Senator Benidickson has had long experience in financial matters. It is my recollection that as a member of the other place he had behind him several years of intensive experience in the financial world. If he and others, with their financial background and legal experience, found it difficult yesterday to follow the details of the bill being considered by the committee, how much more so was that true of senators who lacked financial background or legal experience.

I suggest that every effort should be made to ensure that explanatory notes, and any other explanatory advice, should be made available, both in committee and in the Senate, in connection with intricate and complicated legislation of the kind that we were considering yesterday.

Hon. Mr. Flynn: Honourable senators, while agreeing generally with the comments of Senator Benidickson and Senator Rowe, I should like to point out that the circumstances surrounding the examination of this bill yesterday were rather special. The committee spent over three and a half hours studying the bill clause by clause. Had we not been pushed, I think the committee would have taken at least two or three sittings to go through this bill. Under normal circumstances, that would have been the case.

• (1120)

I noticed Senator Benidickson and others trying to keep pace with the chairman who, of course, is more familiar with this type of legislation than anyone else in this chamber. I feel we rushed through our study of this bill yesterday in committee and I think it was a mistake. To go through properly a bill of this size, this complexity and this importance, as I say, should have taken two or three sittings of the committee. It would probably have helped a good deal had we been given the information mentioned by Senator Benidickson.

Hon. Mr. Lang: Honourable senators, I understand the reason that the explanatory notes were not contained in the bill as we had it before committee yesterday is that by custom those notes are only contained in the printing on first reading.

An hon. Senator: Not invariably.

Hon. Mr. Lang: The printing of the bill as passed by the House of Commons does not contain anything on the right-hand side. I agree that it would greatly facilitate the work of the Senate if bills, as passed by the other place, did contain the original explanatory notes and, in addition, explanatory notes as to any amendments which might have been made to the bill in its passage through the other place.

The lack of those explanatory notes, in my opinion, does not impose a very serious burden on our deliberations. Fortunately, I brought my own copy of the bill as printed on first reading, upon which I had done a bit of homework before we got to committee. Honourable senators who wish to have the explanatory notes before them could bring the first reading printing of the bill to the committee meetings. I would welcome a change, as I am sure all honourable senators would, in this practice in order that those explanatory notes would be carried through to the bill printed as passed by the other place.

Hon. Mr. Martin: Honourable senators, I believe Senator Lang is quite correct when he says that these explanatory notes appear only on the first and second reading printings of the bill. In the other place there are no explanatory

notes on the third reading printing of the bill. I recall that this point was raised in the other place some time ago. I do not recall whether Senator Flynn was a member at that time, but I do recall it being raised. Unfortunately, I forget what reply was given.

In any event, *prima facie*, the matters raised by Senator Benidickson in this connection seem to warrant some study. Perhaps this debate will serve as notice, and we can make a report on this when we resume our sittings following the Easter recess.

Hon. Mr. Flynn: There is a new printing of the bill only after second reading, and usually there are no amendments. That is why the explanatory notes are deleted. The explanatory notes are always contained in the bills until they pass the second reading stage.

Hon. Mr. Martin: Yes, and on the third reading version there are no explanatory notes.

Motion agreed to and bill read third time and passed.

CUSTOMS TARIFF

BILL TO AMEND—THIRD READING

Hon. John J. Connolly moved the third reading of Bill C-172, to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

EMERGENCY GOLD MINING ASSISTANCE ACT

BILL TO AMEND—SECOND READING

On the Order:

> Second reading of the Bill C-130, intituled: "An Act to amend the Emergency Gold Mining Assistance Act".—(Honourable Senator Bourget, P.C.).

Hon. Maurice Bourget: Honourable senators, with leave, I move that this bill be now read the second time.

Hon. Mr. Flynn: Before leave is granted, would the honourable senator indicate why it is urgent that we pass this legislation?

Hon. Mr. Bourget: As soon as the motion is put.

Hon. Mr. Flynn: No. If we give leave you will not need to give an explanation.

The Hon. the Speaker: I have to put the motion first.

Hon. Mr. Bourget: That is what I said.

Hon. Mr. Flynn: No. I think Your Honour has to ask first if there is leave to proceed.

An hon. Senator: Why?

Hon. Mr. Flynn: Because two days' notice was not given.

Hon. Mr. Bourget: Leave was given yesterday for second reading today.

Hon. Mr. Flynn: I said no. It is on the record.

Hon. Mr. Bourget: I did not notice that.

Hon. Mr. Flynn: I said that we would decide today whether leave will be granted to proceed a day ahead of time. I think it is only normal for the sponsor of a bill to put on the record his reasons for asking leave to proceed now.

Hon. Mr. Bourget: The reasons will be given when I give the explanation of the bill. The honourable Leader of the Opposition will them realize the urgency, and why this bill is introduced at this time.

Hon. Mr. Choquette: Why don't you invoke the golden rule?

Hon. Mr. Bourget: I will.

Hon. Mr. Flynn: I will not insist, but I think it is normal to give reasons, and I do not want this to create a precedent. When leave to dispense with a rule is asked for and an explanation is requested, I think the reason for asking leave should be given before the motion is put, because when the motion is put it is because leave has been granted.

Hon. Mr. Bourget: I can explain it. There is urgency in respect of the passing of this bill due to the fact that mining associations, mining operators, and also the communities interested in mining development, have asked the government, because the price of gold has been fluctuating so much in the past few months, to extend this act until the end of June 1976. As we are about to adjourn for two or three weeks, the government thought it was in the interests of all concerned to pass this bill immediately.

Hon. Mr. Flynn: All right, leave is granted.

Hon. Mr. Bourget: As a matter of fact, I was going to explain this during my brief remarks.

Hon. Mr. Langlois: You have been convincing.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

Hon. Mr. Bourget, with leave of the Senate, moved the second reading of Bill C-130, to amend the Emergency Gold Mining Assistance Act.

He said: Honourable senators, I do not think it necessary to make my brief remarks now, because I have already given the reasons why it is necessary to pass this bill at this time. Nevertheless, let me say that the purpose of Bill C-130 is to extend the Emergency Gold Mining Assistance Act from June 30, 1973 to June 30, 1976, without any change in the present method of calculating assistance payable. It is quite possible that no further expenditures will be made by the government in assistance payments under the act, and whether or not they will be made depends upon the level of the open market price of gold. Consequently, the extension of the act may be regarded as only providing insurance for the existing gold mining operations and communities against a severe decline in the open market price for gold which might result in the immediate closing of the gold mines.

• (1130)

Honourable senators are aware that, in the period ensuing since about the middle of last year, the impact of the uncertainty in international monetary relations has brought about a dramatic increase in the price of gold on the open market. On January 15 of this year, gold was at a price of around $65 per ounce on the open market; by

February 15 it had moved to between $72 and $73 per ounce; by March 15 it was up to $82 and at the end of March it was over $89 per ounce. Lately in Winnipeg it has even reached over $100 per ounce.

Therefore, it is obviously difficult to predict the future price of gold in the open market. However, it is possible that if there should be a lot of fluctuation in gold prices, as a result of monetary speculation, there will be declines for short periods to the point where continued operation of those gold mines that are still in the position to draw assistance would be in jeopardy. It is with this possibility in mind that the government has responded to the requests of the industry and the gold mining communities for assurance that assistance under the act will be available if needed.

[*Translation*]

Honourable senators will undoubtedly recall that this was introduced in 1948 to prevent the closing of gold mines due to increased operating costs after the Second World War.

The total assistance granted to that industry since 1948 has reached $303 millions and, if the $25.7 million benefit realized by the Royal Canadian Mint is deducted from that amount, we have a total cost of $277 millions for the application of the act. I would like to point out that, in 1948, 87 mines benefited from that act as compared to 21 in 1972.

[*English*]

I would like also to mention that the Department of Mines, with the Department of Regional Economic Expansion, and the industry and the gold mining communities have been co-operating in studies to diversify those communities, discover new ore deposits, and generally provide for long-term economic development which will stabilize their futures, looking toward the day when certain of our older mines will face closure.

Second reading of this bill was given in the House of Commons on March 29, 1973, and it was sent for consideration to the Standing Committee on Natural Resources and Public Works, where it was approved without amendment. It was passed unanimously on third reading in the other place yesterday afternoon.

Honourable senators, as I said at the beginning of my brief remarks, this bill is intended to assure the stability of the gold mining industry, and it has received the support of all concerned. I commend it to you for your approval.

Hon. Rhéal Bélisle: Honourable senators, first of all, may I express my gratitude to the sponsor of the bill, the Honourable Maurice Bourget, for the informative manner in which he presented it to us.

Having dealt with this piece of legislation at intervals during the last ten years, it is not my intention to speak too long on this bill. I intend to make a short résumé of its history and of the situation in the gold mining communities, as I see it.

Parliament is being asked again to extend the provisions of the Emergency Gold Mining Assistance Act for another three years, as the sponsor has said, to June 1976. The circumstances are somewhat different from those which prevailed at other times when we were asked to consider this measure.

The Emergency Gold Mining Assistance Act was introduced in 1948, to reduce the rate of decline in the gold mining industry and also to reduce the social hardships in dependent mining communities. Over the past 25 years there has been a steady decline of gold mining in Canada. In 1948, as the sponsor has mentioned, the number of lode gold mines was 87; in 1972 there were 21 lode gold mines in operation, with approximately 5,000 employees.

The amount of assistance payable by the Mint under the terms of the Emergency Gold Mining Assistance Act is determined on the basis of the cost of production and is not related to the selling price of gold. From May 1962 to May 31, 1970, the Mint buying price in Canadian funds varied between $37.46 and $38.22 per ounce. When the Canadian dollar was allowed to float freely in international exchange markets in May 1970, it immediately increased in value in relation to the U.S. dollar, with the Canadian Mint price for gold dropping correspondingly. The average Mint price for gold was $37.69 in 1969, $36.56 in 1970 and only $35.34 in 1971. Since 1972 the gold mines have found it more advantageous to sell their gold on the open market and forego assistance from the government. No Canadian lode gold mines received any cost assistance during 1972, because all their gold was sold on the open market and not to the Mint.

However, in spite of the rising gold prices in international open markets, the gold mining operators still want assurance of the continuation of the Emergency Gold Mining Assistance Act, to give stability to the industry in Canada. If the high price for gold, $86 per ounce, quoted in the Montreal *Gazette*—and now, as my honourable friend says, $92, and even $100—in 1973, continues in international markets, the Canadian gold mines will continue to sell their gold on the open market and receive no assistance. If the price declines below $48 per ounce, then the mines can apply for cost assistance under the act.

The total assistance paid to gold mine operators to March 31, 1972 for the years 1948 to 1971, inclusive, totalled $301,270,629.61 on a production of 61,738,600.619 fine ounces of gold produced and sold in accordance with the requirements of the act. This was mentioned at page 7 in the report of the administration of the Emergency Gold Mining Assistance Act for the fiscal year ended March 31, 1972. In 1961 it cost the government $5.30 per ounce produced—that is the average all across Canada—and it cost per employee $1,015; in 1969 the costs had risen to $9.25 per ounce and $2,128 per employee.

• (1140)

This could be verified in the printed proceedings of the Standing Committee on National Resources and Public Works for November 27, 1970. It should be noted that this represents a gross cost to the government and not a net cost, because the gold purchased by the Mint had to be sold on the open market and not added to Canada's official reserve.

From April 1968 to the end of 1971 the open gold market price exceeded the price paid by the Mint, so the net cost of assistance under the act was effectively reduced by the difference in price at which the Mint bought newly mined gold and the price for which it was

sold to open-market bidders. Mint profits are estimated at $7.8 million in 1968; $7.7 million in 1969; $1.6 million in 1970 and $8.6 million in 1971 against expenditures of $15.1 million, $14.1 million, $13.3 million and $10 million under the provisions of the Emergency Gold Mining Assistance Act.

What has been accomplished by this expenditure of some $300 million in so far as the miner is concerned? He has been enabled to remain in the community where he had purchased a home and raised a family, but his wages have been far below those of miners of other base metals. *The Canadian Minerals Yearbook 1970* gives the average weekly wages of hourly rated gold mining employees in 1970 as $113.84 compared to $152.15 for all mining and $146.31 for those employed in mineral fuels.

What are some of the characteristics of the gold mining work force? The average age of an Ontario miner in 1970 was 37, with 44 per cent of the total being over the age of 45. On top of this the average education of the gold miner in Canada is less than six years. Relatively speaking, the workers are a little bit obsolete; they have had no modern machinery because there was not enough money to buy it. With all these strikes against him, the average gold miner is not prepared to face the closure of his industry, nor has he been prepared to move himself and his family to another area for employment. Many of the collective agreements between the mines and the unions contain a clause that wage negotiations can take place if the price of gold rises. It is too early to say if the high price for gold is here to stay, so mine operators will be reluctant to commit themselves to higher wages until there has been an opportunity for the price to be stabilized.

What about the future price of gold? Most observers are reluctant to make any forecast because of the complexity of not only economic but political factors which tend to affect the outlook. Naturally South Africa looms large in any attempted analysis of the gold picture. Since it turns out about three-fourths of the Free World's production, that country has a very large influence on the eventual price of the mineral. If South Africa's balance of payments remains favourable it can withhold a portion of its gold production from the market thereby maintaining a high price.

Another factor is Russia's entrance into the international world market in 1971 for the first time since 1965. Both in 1971 and in 1972 Russia disposed of substantial gold holdings to purchase agricultural commodities in both Canada and the United States. There are also other demands for gold, such as the jewelry trade, dentistry and the arts as well as the electronic industry.

According to Consolidated Gold Fields of London, England, a balance has been struck between a liberal supply estimate and the more cautious projection for demand. The projections are based on the premise that outside South Africa and Russia nothing much is happening to stem a decline in gold output that started many years ago. You will find a reference to this in *Northern Miner* of November 30, 1972.

The high market price for gold cannot have any marked impact on the gold mining industry in Canada in the immediate future. Producers have endured a fixed price for their gold over decades when the price of everything else soared, so they are not prepared to gamble too early by way of new equipment, reopening old mines, et cetera. They will wait until the gold market is firmly established in a new pattern before planning on a new cost basis. The full extent of the gold price will not be reflected in higher earnings. This is because the mines, wherever possible, now are mining gold-bearing material that was not economic at the lower price. This is good mining practice as it makes for a more efficient mining operation and helps extend the life of an individual mine.

As the sponsor of the bill mentioned, the Mining Association of Canada, on behalf of the gold mining operators, made representation to the Canadian government to extend the act. An interdepartmental committee on gold mining, consisting of representatives from 11 government departments, in a memorandum to Cabinet in April 1972, recommended that the act be extended for a further period to June 1976. It is the consensus that the extension of the act which will provide a floor price for gold will lend stability to the gold mining industry.

During examination by the standing committee of the bill introduced in 1970 to extend the provisions of the act, the alternatives to extension were discussed. And I quote from the *Minutes of Proceedings and Evidence* of the Standing Committee on National Resources and Public Works for November 27, 1970, at page 1:10:

> Two main courses of action appear to be open to the government concerning Emergency Gold Mining Assistance Act in relation to the need for adjustment measures because the purpose of Emergency Gold Mining Assistance Act is not to produce more gold, or that the company make money; the main purpose is to try to save communities that are facing these problems. There are two options:
>
> (A) Let us terminate this EGMA, early termination
>
> (B) The expansion for an appreciable period that is up to 1973 or beyond.

It will be noted that the main purpose of the bill as enunciated was, "to try to save communities that are facing these problems." The same theme is repeated in a submission to the Government of Canada on behalf of Canada's gold mining communities in 1970, and I quote:

> The central issue is a humanitarian one: to preserve and if possible expand the local economic bases of the gold towns.

Such pronouncements would lead one to the conclusion that the assistance provided to these communities might better come from a source other than the Department of Energy, Mines and Resources. In fact, this thought was followed through by the Assistant Deputy Minister, Mineral Development, in his remarks to the Standing Committee on National Resources and Public Works when he stated, "We have many instruments in Canada to effect change."

• (1150)

An interdepartmental committee on gold mining communities was established. Although it has been difficult to pinpoint any specific benefits that have, as yet, accrued from its efforts, it has been learned that the Ministry of Treasury, Economics and Intergovernmental Affairs for the Province of Ontario, is collaborating with the federal

government to set up a planning group to evaluate the potential of gold mining areas in Northern Ontario for industries other than gold mining. It is hoped that the committee will determine some priorities in areas such as tourism and the pulp and paper industry. It could be argued that if the provisions of the Emergency Gold Mining Assistance Act were not extended to June 1976, it would give the agencies concerned some impetus to implement agreed recommendations in an effort to save the communities should the price of gold fall on the open market and the remaining mines be forced to close down their operations.

In the province of Quebec, ARDA has become a regional rural development plan centered mainly on the Saguenay-Lac Saint-Jean and Abitibi-Témiscamingue regions. The plan's goals are to modernize the agricultural sector, rationalize the growth of the forest industry, develop the mining potential and establish basic tourist facilities. These goals are similar to those which it is expected will be given priority by the Ontario planning group.

It is my own conviction that this palliative measure being applied by governments since 1948 is so obsolete that we must look ahead for other solutions.

Honourable senators, we are in 1973, and 25 years after we are proceeding with the same kind of protective medicine. We must realize that the earth, our globe, is not the unknown of 1948. With earth-scanning satellite orbital detective, explorer, and land planner we must change our mining views.

Earthwatching has taken on a new perspective these days. Photo-images of the continents and oceans, cities and farmlands—beamed down from a National Aeronautics and Space Administration satellite orbiting 570 miles from earth—are providing even more useful than many scientists had imagined. Already the data from this Earth Resources Technology Satellite, ERTS-1, have pinpointed possible mineral-bearing formations.

Geologists studying ERTS photographs since the satellite was launched last July have picked out rock formations in Pakistan where there may be undiscovered copper, possible nickel formations in South Africa and West Canada, and dry riverbeds in the Amazon where gold may lie hidden.

The actual presence of minerals cannot be detected by the satellite. It can only point out the places where copper or nickel or gold are likely to be located. The actual discovery of the deposits must still be done on the ground. Nevertheless, this may cut down the expense of exploration for rare minerals and help locate major new reserves. Some mining companies already are interested in ERTS but are unwilling to say much about their activities. What I can say is that we have used photography, taken from aircraft, in the past and it saves time, manpower and money.

ERTS also can monitor strip mining. Stripped areas and the effects of acid runoff are clearly visible. For example, Dr. Charles Weir of the Indiana Geological Survey has been able to complete a state map of all areas that have been surface-mined. Because ERTS scans an area every 18 days, it can document the progress of mining and reclamation activities unobtrusively.

Honourable senators, now that the economy has returned to centre stage in Canadian public life, we must use all our available technology to ascertain the future of our mining communities. The uncertainty of the mining industry in Canada at the moment—with fears and annoyance over price rises and renewed inflation—should be taken seriously, but the mood should be kept in perspective too. Uncertainty is the characteristic human response to economics, and of itself gives no clue to what will happen.

In these difficult circumstances, Parliament is once again asked to approve the continuation of a subsidy from the public purse. I think we are bound to question this policy. We can make suggestions for a better application of the subsidy and the setting of some rules along the lines of those the minister announced; we can sympathize with the people and the communities concerned, but we need to look at the whole question very closely.

[*Translation*]

For this reason, honourable senators, I support, on behalf of the Official Opposition, the second reading of this bill and I see no need to refer it to the committee.

[*English*]

Hon. Mr. Martin: Honourable senators, I rise for a brief intervention. It is not often that one is given a chance to pay a tribute such as I would like to pay now. I remember the circumstances of the passing of this act in 1948. Senator Benidickson, whose constituency was involved and affected by action taken at Bretton Woods with regard to fixing the price of gold, was very active in making representations which led to a formula that was conceived, if I recall correctly, by the then Deputy Minister of Finance under Mr. Ilsley, Mr. Clifford Clark. As Senator Benidickson sat listening to this debate today, I am sure he recalled those days. I want him to know that I recall the contribution he made in bringing this measure about in the first instance.

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. Bourget: 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.

RULES OF THE SENATE

Hon. Hartland de M. Molson: Honourable senators, I rise on a point of order related to the bill we have just passed. I think the discussion on the question of leave earlier today was not in accordance with the rules of the chamber. I think that when this item found its way on to the Order Paper as Order No. 4, any question of leave ceased to exist at that point. It is my opinion that if Senator Flynn felt that it found its way there without his leave the day before, then he should have objected, and moved the postponement of the order under rule 46(m), for the reason he gave here. However, with this item on our Order Paper, I think rule 46(e) would apply and no

notice is required for the reading of the Orders of the Day.

• (1200)

Hon. Mr. Flynn: My honourable friend may be right in principle, but he is certainly wrong in practice. Had I objected as he suggests, it would have resulted in the same situation. The honourable sponsor of the bill would have had to request leave to proceed today, with the same result.

Hon. Mr. Molson: My honourable friend has not quite perceived my point, which is that when an item appears on the Orders of the Day there is no need for leave to be given.

Hon. Mr. Flynn: If it appeared incorrectly on the Orders of the Day my honourable friend said I should have objected. Well then, I object. The sponsor of the bill has to ask leave, and the same thing happens again. We end up turning around and coming back to the same point. It seems silly.

Hon. Mr. Molson: I do not want that; I am simply quoting the rules.

PUBLIC SERVICE STAFF RELATIONS ACT

BILL TO AMEND—SECOND READING

On the Order:

Second reading of the Bill C-178, intituled: "An Act to amend the Public Service Staff Relations Act".—(Honourable Senator McIlraith, P.C.).

Hon. Mr. Flynn: Honourable senators, I wish to proceed as suggested by Senator Molson, and say that this item should not be on the Orders of the Day, but if the Honourable Senator McIlraith wishes to ask leave to proceed, he may do so, giving the reason.

Hon. George McIlraith: Honourable senators, when this bill received first reading yesterday and leave was granted to place it on the Orders of the Day, the honourable Leader of the Opposition asked that certain conditions apply. I am very happy now to seek to comply with those conditions which were imposed yesterday when this bill was placed on the Order Paper. I am asking honourable senators, therefore, for leave to proceed with this bill in the hope that it will proceed through all stages today. The reason for my request is that this is a bill to increase the membership of the Public Service Staff Relations Board by adding three deputy chairmen. These appointments are necessary because of the work load facing the board as it is presently constituted. The implications of a work load greater than that which can be quickly dealt with by the board are very great in view of the large number of persons in the Public Service of Canada, and the fact that the board deals directly or indirectly with so many of their conditions of employment.

The other reason, which is rather interesting, is that the board itself has a rather distinguished chairman, who has held that position since the inception of the legislation. He enjoys the respect of both employees and employer concerned with the legislation, which is something very rare indeed in a situation involving such a large number of employees. In any event, the act having been in force since 1967, it is desirable in the light of experience with it, and bearing in mind that it was an act introduced to deal with a new situation, to amend it to provide for administrative changes. These changes are considered necessary by both sides and, therefore, it is desired that the chairman undertake, in addition to his regular duties, a study of aspects of the act which should be amended. He will recommend to the government appropriate amendments. That work can hopefully be put in hand immediately and the report presented within the next few months so that it may be discussed with the staff associations, considered by the government, and the amending legislation brought forward before the end of the year.

For those reasons I would ask honourable senators to agree to proceed with the bill now in the hope of completing all stages today.

The Hon. the Speaker: Has the Honourable Senator McIlraith leave to proceed?

Hon. Senators: Agreed.

Hon. Mr. McIlraith, with leave of the Senate, moved the second reading of Bill C-178, to amend the Public Service Staff Relations Act.

He said: Honourable senators, in asking leave I perhaps covered some of the points I would have raised in my explanation on second reading. The bill itself is really very simple.

Hon. Orville H. Phillips: Now there is nothing left in it.

Hon. Mr. McIlraith: The Public Service Staff Relations Board is comprised of a chairman, a vice-chairman and eight other members, four on the staff side and four representing the employer. Only two of those 10 persons—the chairman and the vice-chairman—are full time employees. Their extensive responsibilities are set out in the rather lengthy Public Service Staff Relations Act itself. In consequence of those responsibilities there is a backlog of work which has resulted in delays vis-à-vis the adjudication or determination of rights and other matters which affect employees throughout the Public Service. This matter was considered by the Standing Committee on Miscellaneous Estimates of the other place. A study of the evidence adduced before that committee on April 11, 1973 makes it clear that there is need for additional staff. There seemed to be unanimity between all parties in the other house.

Another reason put forward was the expectation and requirement for amending the Public Service Staff Relations Act itself. Recommendations to this effect have been advanced by various staff associations and the need recognized by the government. The government proposes asking the Chairman of the Public Service Staff Relations Board, Mr. Finkelman, "to examine the Public Service Staff Relations Act and its administration and to make recommendations, having regard to the experience gained since that act came into force, as to how it should be amended or revised in order to meet adequately the needs of the employers and the employees in the Public Service and the employee organizations that represent them, and to serve the interest of the public." Those are his terms of reference, with some added provisions.

• (1210)

Those honourable senators who have followed the work of Mr. Finkelman as chairman of this board, and who have studied the legislation, have reason to feel well satisfied with the action that has been taken. I believe the legislation is as good as, and perhaps better than, that of any other country. Mr. Finkelman, deserves a great deal of credit for the competent and thorough manner in which he has administered the act throughout the years since its inception.

There is nothing more that I can usefully add at this time, and I commend the bill to the favourable consideration of honourable senators.

Hon. Lionel Choquette: Honourable senators, this is a non-contentious bill that was passed rapidly and unanimously in the other place. I see no reason for speaking at length on it. It has been clearly explained by an experienced parliamentarian, Senator McIlraith.

However, I would say, after listening to my friend, that this smells like more of the same—jobs for the boys. I am sure that the first point that comes to the minds of honourable senators is that one of the criteria for filling these positions is that the applicants be defeated Liberal candidates.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. Choquette: But they are running out of them. They have been absorbed recently by the dozen. However, as my friend says, why not?

Hon. Mr. Langlois: It was a good harvest up to the last election.

Hon. Mr. Choquette: A few of the questions that I should like to ask are more serious. What is the salary attached to these positions, and do these people travel? I think that those two questions will be the extent of my remarks.

Hon. Mr. McIlraith: As to the first question, the honourable senator will realize that I no longer speak for the Governor in Council who makes the appointments. I am afraid that I have no influence there, however desirable one might think that would be. I must ask the honourable senator to rely on the government to use their usual good judgment in that respect. I recognize that my answer is not very specific or informative, but I believe it to be a full answer given in the spirit in which the question was asked.

With regard to the honourable senator's question concerning salaries, that is a matter for the Governor in Council. I do not know what salaries are proposed. I do know that there is an allowance of $150 per working day for the eight part-time members of the board. I do not have the total number of days that each one will work, but they work only part time. I do not know what the salaries of the chairman and the vice chairman are.

Hon. Mr. Choquette: Do they travel?

Hon. Mr. McIlraith: Yes, the board meets in various cities across Canada, from one coast to the other. Wherever there are public servants in large numbers, the board is likely to meet. With the changes that have taken place in modern society, there are public servants spread across the country.

Hon. Mr. Phillips: Honourable senators, may I direct a question to the sponsor of the bill? Before doing so, I might say that the fact that the sponsor did not deny the suggestion made by Senator Choquette really confirms that there are two defeated Liberal candidates in mind.

Hon. Mr. Choquette: Three.

Hon. Mr. Phillips: I thank the honourable senator for that confirmation. Last evening, when I asked Senator McIlraith about this bill, he was kind enough to refer me to the report of the proceedings of the committee in the other place. I note that there the Progressive Conservative Party had no objection to the bill, but they did have one important question: When are major amendments expected to the Public Service Staff Relations Act? I find Mr. Finkelman's reply to be very indefinite. Knowing the close connection which Senator McIlraith has with the higher echelon, perhaps he could answer the question better than Mr. Finkelman.

Hon. Mr. McIlraith: With regard to the first point, I must assure the honourable senator that regretfully there are no defeated candidates in mind. However, I must add, as a member of this body, and as one who has been in public life for the greater part of my adult years, that I do not see any disqualification because a man chooses to interest himself in public affairs and offers to serve his fellow men in either the House of Commons or in this honourable body. I, for one, will never consider it a handicap to any man or woman who wishes to offer himself or herself in service to the country in the federal Parliament or a provincial legislature.

In Canada, where we seek to follow parliamentary democracy in the best tradition and in accord with our freedom-loving nature, it is all too easy for us and others to belittle politicians. I have never agreed with that outlook. I have never agreed to belittle the office of politician. As one of them, I have always felt proud of my activity.

Hon. Mr. Phillips: I am sorry to interrupt the honourable senator. I was not belittling politicians—merely the Liberals.

Hon. Mr. McIlraith: With regard to the second point raised, it is my understanding that it is hoped to have Mr. Finkelman—incidentally, I should have spoken about the vice president, Mr. Gauthier, in the same fashion as Mr. Finkelman—examine and prepare material for amendments immediately. Hopefully, the work will reach the stage by the fall of this year when consultations with various staff associations can begin. That is the traditional method of making administrative or other changes in this act. It is hoped that legislation will be ready to come before Parliament by the end of the year.

However, in view of my long experience in, and observation of, the preparation of legislation, I can merely express the wish that the objective will be realized.

• (1220)

Hon. Mr. Lang: Honourable senators, the exchange prompts me to rise to speak to this motion. Years ago, when I was an undergraduate at the University of Toronto I was enrolled in an arts course known as law. It had a

very small staff at that time. I do not believe there were more than five or six members and a correspondingly small number of students. I thought it might be of interest to honourable senators to know that the staff member who taught us labour and administrative law was the same Jacob Finkelman who now heads the Public Service Staff Relations Board and who has made it such an operating success.

I want to assure my friends opposite that my impression of the then Professor Finkelman's political ideology certainly would not lead me to the conclusion that he shared the same convictions as I did then and do now. However, that did not detract from his tutorial skills and abilities. Jacob Finkleman cannot be too highly commended for the work he has done as chairman of the board in question.

It will also be of interest to honourable senators to know that on that same small staff there were two other members, namely, the Honourable Norman MacKenzie—whose retirement from the Senate was to the regret and loss of us all—and the Honourable Mr. Justice Bora Laskin of the Supreme Court of Canada. So my undergraduate years were well and fruitfully spent under the pedagogy of such eminent and successful men.

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. McIlraith: 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.

EXPORT DEVELOPMENT ACT

BILL TO AMEND—SECOND READING

On the Order:

Second reading of the Bill C-3, intituled: "An Act to amend the Export Development Act".—(Honourable Senator van Roggen).

Hon. George van Roggen: Honourable senators, I shall also be asking leave to move second reading and, hopefully, third reading today. Following the procedure which my honourable friend, Senator Flynn, wishes me to follow, I shall now endeavour to give a short explanation of why leave should be granted. I might say that in so doing I will have to interrupt the order of my carefully prepared notes.

I shall come back to part of this a little later but, in the simplest terms, the reason why it is important that this bill be passed today is that the Export Development Corporation is now entertaining applications for financial assistance relative to Canada's exports to the point where its borrowing limit of $850 million is close to being exhausted. In order that the corporation can continue to proceed with applications for assistance, it is necessary that this borrowing limit be increased. If this bill is not given royal assent today, there is going to be a three-week hiatus in the processing of applications. Such an hiatus could result in orders going to other countries.

Hon. Mr. van Roggen moved, with leave of the Senate, the second reading of Bill C-3, to amend the Export Development Act.

He said: Honourable senators, Bill C-3 was passed by the other place without amendment, so that the version you have had up to now is the same as the one being put before you.

The Export Development Corporation was first established by chapter 39 of the Statutes of Canada, 1968-69. Since that time the corporation has pursued, with, I believe, great success and benefit to Canada, the objects set forth in the incorporating statute. While it is a somewhat technical statute, I think I can summarize the corporations's main areas of operations under three headings. The first is the normal export credit insurance function, which is a simple insurance function and does not require borrowing powers. Under section 24 of the act it is limited to $500 million for the corporation's account and $500 million in insurance for the government's account.

I might just explain that in several aspects of this bill a distinction is made between the corporation's account and the government's account. I do not think we need concern ourselves to any great degree with those items having to do with the government's account, because they are for the risk of the government and not the risk of the corporation, and no borrowing powers are involved. The amending bill makes no change in this area.

The second main area of the corporation's business is foreign investment insurance. This is wholly for the government's account, not for the account of the corporation. The limit here is $150 million. Basically this is to cover Canadian companies operating in foreign countries against political risk, expropriation, war, and so forth. Again, no changes are contemplated in this area by the amending bill.

The third and major area of the corporation's business is its international banking function. I might just mention here that this function is to assist in the financing of Canadian exports in the area of large capital goods. It is not used for consumer goods or extractive products, but such things as locomotives and ships. Under section 30, which is one section being amended by this bill, the limit of the corporation's borrowing power for its own account is $850 million. Under section 32, which is not being amended, the limit set for the corporation for assistance for the government's account is $450 million. It is only the first of those two figures, namely, the $850 million limit, that is proposed to be increased by this amending bill.

Let me explain for a moment the reason for the form of the amendments which involve an increase in the authorized capital as well as an increase in the limit of the borrowing powers. Section 14 of the Export Development Act provides that the aggregate amount of borrowings of the corporation shall not exceed an amount equal to ten times the aggregate of the subscribed capital and the amount credited to the capital surplus account of the corporation.

• (1230)

If the borrowing powers of the corporation are to be increased, the capitalization of the corporation must be increased so that when you apply the figure of ten times the capital you come up to the limit of the borrowing. The present authorized capital of the corporation is $75 million and the capital surplus account is $25 million, for a total of $100 million. The amendment proposes increasing the authorized capital from $75 million to $125 million. Adding the $25 million on capital surplus account gives a total of $150 million. Applying then the multiple factor of ten provided for in section 14 gives a maximum authorized borrowing power of $1.5 billion.

That is the reason why the amending bill is worded as it is, first to increase the capital, which then authorizes a higher borrowing power under the section involved with the borrowing by the corporation for its international banking function for its own account. The net result will be a borrowing authorization that will be increased from $850 million to $1.5 billion.

Perhaps I might add one or two general observations. This corporation appears to be simply a victim of its own success in that in its short five-year history it has had virtually no bad accounts in any one of its three areas of operation, and these activities have been of great assistance to Canada's exports, with the resultant provision of jobs in Canada and, of course, a favourable balance of payments. The customers are lining up in ever-increasing numbers, and the corporation needs additional borrowing powers in order to service those applications.

In order to give a brief example of the success of the corporation, perhaps I might quote these figures. During the 1960s, the predecessor of this corporation, the Export Credits Insurance Corporation, averaged guarantees of approximately $50 million per year; in 1970 this increased to $96 million; and in 1971 and 1972 it increased to more than $250 million. It is estimated that in 1973 this might well exceed $500 million.

Thus, a great service has been rendered, at no cost to the Canadian taxpayer, by this corporation to our export trade. I emphasize "at no cost to the Canadian taxpayer." The initial money, of course, is supplied by the taxpayer, but it is all on loan and is duly repaid, and the corporation has had an excellent record as far as any bad debts are concerned. I do not believe anything has been written off at this time.

Honourable senators, senior officers of the Export Development Corporation are available to appear before the Standing Senate Committee on Banking, Trade and Commerce to answer questions, but you may feel that this comparatively routine increase in the borrowing powers of the corporation does not require the bill to go to a committee. If this is your feeling, I shall certainly endeavour to answer any questions you may have.

Hon. Jacques Flynn: Honourable senators, the sponsor has explained the bill to my satisfaction and, I would suggest, to the satisfaction of all honourable senators present. As he said, the amendments made by this bill to the Export Development Act are not complicated. They increase the borrowing or financing powers of the corporation, let us say, from $850 million to $1.5 billion. In effect, they practically double the financial ability of this corporation and increase its capital stock by $50 million, from $75 million to $125 million. That last amendment has relevancy only with regard to the liability authorized by increasing to $1.5 billion the capacity of this corporation to finance exports.

However, I must say that there is more behind this bill than the text. I want to underline the fact that in the other place the motion for second reading was debated on February 2, March 9, March 14, and March 15. The bill was referred to the Finance, Trade and Economic Affairs Committee, which sat on three occasions to question the minister, the Honourable Mr. Gillespie, the president of the corporation and other officials. The other place then took some hours yesterday to complete the third reading.

Many questions were raised during the debate in the other place, and also in the committee, which would require an extensive examination by a committee of the Senate. We would not have the time to do that today, even if the committee sat all afternoon. We could not do a good job on this bill, find out exactly what the policy of the corporation is and what at times it has been able to accomplish.

I understand that some problems have been raised by the Auditor General of Canada about certain transactions with the Department of Defence, and the possible misuse of funds or credits available to the corporation.

It appears that the Department of National Defence sold some old planes to a customer in a South American country. They had the Export Development Corporation pay for them on behalf of the purchasers, and then used those funds to purchase new equipment. The EDC was not designed to help the government circumvent the appropriation act. This needs to be looked into.

In the other place in committee there was also discussion of the fact that the corporation is now doing a little more than financing the purchases of exporters. It is sometimes engaging in long term production programs. For instance, it not only serves to pay for what an exporter needs and buys in this country, but may finance someone who wants a Canadian manufacturer to manufacture for him machinery or apparatus which would take several years to manufacture. It would finance on a five- to ten-year term. There is a problem of policy there that would need to be examined.

We have no alternative, I suggest, but to pass the bill today in order to give the corporation the capacity to continue and meet the requirements of increased exports of goods from Canada. However, I would ask the government leader to agree to refer the examination of the structure and policy of this corporation to a Senate committee on another occasion. I think it would normally go to the Standing Senate Committee on Banking, Trade and Commerce, but it could also possibly be examined by the Standing Senate Committee on National Finance. That would be a matter of choice at the time. We could then question officials of the corporation, and try to form an opinion about what this corporation is doing and what direction it should take, or whether it should take a direction other than the one it is presently taking.

• (1240)

Subject to this assurance, I would agree that the bill receive second reading now; that it not be referred to committee today but that it be read the third time and passed, on the understanding that the job that we would like to do will be done when we come back.

Hon. Paul Desruisseaux: Honourable senators, I should like to make a few remarks with respect to this measure. When the original bill was presented in 1969 it passed quite easily, and without much comment. In 1971, when the legislation came up again, the same approval was given, without reservations. This is a fairly simple bill as far as I can see, and it is only because we are growing that the corporation needs an increase in its authorized capital and the ceiling on its loans and guarantees. The extent to which the bill goes is not extraordinary, in my view, and I would expect that in the next few years we will have to renew this legislation.

The original bill, which gave birth to the Export Development Corporation, brought forward some comments in the other place. I would like to mention a few of them, although I do not believe it is necessary to deal with them at length. We seem to be in agreement here but, for the information of honourable senators, I may say that in the other place a suggestion was made that this legislation was not helping small businessmen. I do not believe it was intended in the first place to help small businessmen, but I know of no grounds that would support the suggestion that the legislation operates against the interests of small businessmen.

The Export Development Corporation itself has functions to perform, to insure Canadian exporters against non-payment by foreign buyers due to credit or political risks over which neither has any control. Secondly, it gives guarantees in respect to the purchase of capital goods or major services from Canada involving extended credit terms. Thirdly, it insures Canadian investments abroad against non-commercial risks such as wars, revolutions, expropriation, confiscation, and inability to repatriate capital or earnings.

The corporation has been a success. In 1971 it made a profit of $4,404,000; and in 1972 its net income was $8,716,000. Since its inception, it has actually accumulated net earnings of $18,658,000. So it is a good corporation, and has worked well.

Honourable senators, one may ask why we are really doing this. I believe we have reached a competitive situation in world trade that warrants this kind of move by the government to support exporters, because our productivity may be questioned when it is compared with the productivity of other countries. We have to ensure that we remain competitive in future years, if we are to maintain our trade balances.

We must remember also that in 10 of the last 12 years we were without a favourable trade balance. For only two years did we have a good balance of trade. Therefore, we are working in the right direction.

There is a clause somewhere in the original bill that provides that applicants must guarantee 80 per cent Canadian content. This is important, and it works well in our favour.

[Hon. Mr. Flynn.]

Honourable senators, I do not need to speak about trade itself. We have all seen the latest figures, and they give cause for optimism.

In the other place there was a minor suggestion that the banks should do this work instead of the corporation. I have recited the reasons for the corporation and what it does, and I do not believe that the Bank Act allows the banks to do this. If it should become possible or necessary in the future, speaking personally, I would not see anything wrong in letting the banks do it as well. However, I believe that the export corporation is highly necessary.

I do not believe it is necessary to refer this bill to a committee, and I agree with the Leader of the Opposition that it might be as well to pass it here and now.

Honourable senators, in conclusion, I believe that the Canadian economy, in respect of exports, is healthy and that this legislation will assist in keeping it that way. If we compare what is happening in the United States with respect to the Export-Import Bank, which has been in existence since 1930, we can realize that we must have the means and the tools in our export trade to work in the same way as they do.

Hon. John J. Connolly: Honourable senators, I am probably breaking the rules by speaking from a place other than my own in this chamber, but I would like to say a word or two. I would commend the sponsor for his excellent introduction of this bill. We are indebted to him for the clear and concise way in which he has put this measure before us. All of us would like to hear bills explained as well as this one has been explained.

Furthermore, Senator Desruisseaux has given us the benefit of some very pertinent and cogent remarks. In the Senate we have had long experience with this corporation, and its predecessor corporation. I remember when Senator MacKinnon, after he left the government as Minister of Trade and Commerce, always seemed to sponsor bills affecting this corporation or its predecessor. In the Banking and Commerce Committee we always were impressed by the work done by the very able president of the corporation, Mr. Hugh Aitken. We have known Mr. Aitken here for many years, and the success of this corporation is in large measure due to the work he has done. He has always given us a most refreshing picture of the work that the corporation was doing, and will continue to do. Its operations have expanded very greatly.

Senator Flynn made a particularly good point. This is a good way for the Senate to operate.

• (1250)

Obviously, this afternoon we could spend some time, although not to our own satisfaction, in obtaining the full story of the present activities of the corporation, but I am still of the opinion that we do not want to hold up the measure. However, I believe that periodically it would be helpful, not only for the Senate and Parliament but for the country, if we were to review the affairs of the corporation and give them some encouragement to continue to make profits for Canada. If we were to do that kind of work in the interests of the foreign trade and the exporters of the country, we would be performing a national service.

Hon. Paul Martin: Honourable senators, I agree with what Senator Flynn and Senator Connolly have said about the able presentation of Senator van Roggen. I know that Senator Desruisseaux has also followed this matter closely. He spoke to me about it a few days ago, and I am aware of his almost expert interest in this matter. In fact, in the few remarks he made today he likewise revealed that expert interest.

Now, in rising to support what the Leader of the Opposition has suggested, I should like to reiterate what I have mentioned on a number of occasions, that it seems to me that the committees of the Senate, such as the Finance Committee and the Banking, Trade and Commerce Committee and others, could very well examine the proposals involved in various departments, and, moreover, could use the annual reports of many of these corporations for purposes of study and examination. I believe I have suggested that at least twice in this house. For instance, the work of the Central Mortgage and Housing Corporation could be studied. We receive all kinds of reports from various government operations and crown companies. If such reports were presented to a committee and that committee were to sit more often, those reports could form the basis for the kind of study Senator Flynn has suggested regarding this particular matter of the corporation's work which operates under this bill.

As Senator Flynn said, this bill has a simple purpose, namely, to increase the amount of money available to the corporation for the purposes assigned to it in the original act, which was introduced in Parliament by the late Honourable James Angus MacKinnon.

There are several ways in which we could meet Senator Flynn's suggestion. We could do so by way of a consideration of the annual report; we could do it in this chamber itself when the appropriation bill is before us; we could debate the particular items that would apply to this matter. There are these various ways. We could question the officials and the minister in committee.

I, for one, strongly support the suggestion that it would be not only good for us but good for the officers of the corporation, if the corporation were given the opportunity to give us a detailed account of its operations. As Senator Connolly has said, the head of the corporation, Mr. Hugh Aitken, is indeed a very outstanding public servant and would, I am sure, welcome the opportunity of giving us such a detailed account. We in turn would be able to help the corporation.

Therefore, when the time comes, I will strongly support what Senator Flynn has suggested.

Hon. Hartland de M. Molson: Honourable senators, I have just one comment I should like to make on the way this debate has developed. Perhaps we are creating a slight precedent with this suggestion, but I would remind the honourable Leader of the Opposition that we have just had an excellent example of what can happen under such circumstances. As all of us remember very well, we passed the income tax reform bill with considerable reluctance owing to the fact that the Senate had pointed out that there were some vitally needed amendments. But we had the firm undertaking of the government that those suggestions for amendments would be taken fully into account and that a bill would come forward in due course. Well, we have just had it shown to us, that the good faith that was offered by the Opposition and promised by the government has been lived up to. In that regard, out of nine suggested amendments to the Income Tax Act we had, so I am told, about eight and one-half furnished to us.

Hon. Mr. Flynn: It was 75 per cent of them.

Hon. Mr. Molson: I will settle for a figure somewhere around there. It is a good round figure anyway.

We are passing this bill now because of the urgency of the situation but, bearing in mind the suggestion of the Leader of the Opposition with respect to a possible review, a suggestion which has been agreed to by the Leader of the Government, we have the assurance that in the future such an examination of the affairs of the corporation will be an appropriate way in which to proceed.

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. van Roggen: 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

18 April, 1973

Madam,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate Chamber today, the 18th day of April, at 5:45 p.m. for the purpose of giving Royal Assent to certain bills.

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

The Honourable
The Speaker of the Senate,
Ottawa.

The Hon. the Speaker: Honourable senators will take note from the letter I have just read that His Excellency the Governor General himself will be present to give royal assent, which is contrary to the usual custom of having

the Deputy of the Governor General come to the Senate to give royal assent.

It is hoped that there will be a large attendance of senators for the royal assent this afternoon in recognition of the visit of the Governor General.

Hon. Senators: Hear, hear!

• (1300)

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Mr. 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 15, 1973, at 8 o'clock in the evening.

Motion agreed to.

Hon. Mr. Langlois: Honourable senators, I move that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 5.30 this afternoon.

Hon. Mr. Flynn: May I ask the acting leader whether it is anticipated that there will be any other bill from the other place to be passed this afternoon.

Hon. Mr. Martin: Not as quickly as that, perhaps, but there may be two bills.

The Senate adjourned during pleasure.

ROYAL ASSENT

At 5.45 o'clock His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to give the Royal Assent to the following bills:

An Act to amend the Customs Tariff.

An Act to amend the Emergency Gold Mining Assistance Act.

An Act to amend the Excise Tax Act.

An Act to amend the Export Development Act.

An Act to amend the statute law relating to income tax.

An Act to amend the Public Service Staff Relations Act.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

[Translation]

HIS ROYAL HIGHNESS THE DUKE OF EDINBURGH

VISIT TO PORTUGAL—INQUIRY ANSWERED

Leave having been given to revert to Inquiries:

Hon. Eugene Forsey tabled the following inquiry pursuant to notice:

1. Will the Duke of Edinburgh, during his visit to Portugal June 5-8, 1973, be acting in his capacity as consort of the Queen of Canada?

2. Was the Government of Canada consulted concerning this visit?

3. If so, what was the Government of Canada's response?

4. In view of the fact that this visit is being widely interpreted as conferring royal approval on Portuguese colonial policies in Africa, what steps does the Government of Canada propose to take to avoid leaving any impression that it sanctions this visit?

Hon. Leopold Langlois: Answered.

1. In accordance with constitutional principles of long standing, the Queen can only act in her capacity as Queen of Canada on the advice of the Government of Canada. As the Government of Canada was not called upon to advise the Queen on the coming visit of the Duke of Edinburgh to Portugal, the Duke will not then be acting in his capacity as Consort of the Queen of Canada.

2 and 3. The Government of Canada was not consulted on this subject.

4. In view of the fact that for the reasons enumerated in answer to your first question, the Duke of Edinburgh will not act in his capacity as Consort of the Queen of Canada at the time of his visit to Portugal, but will make it solely on the recommendation of the British government, Canada must abstain to adopt any position which might be considered as interference in the internal affairs of the United Kingdom.

[English]

The Senate adjourned until Tuesday, May 15, at 8 p.m.

THE SENATE

Tuesday, May 15, 1973

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

Prayers.

THE LATE HONOURABLE LESLIE M. FROST

TRIBUTES TO FORMER PREMIER OF ONTARIO

Hon. Rhéal Bélisle: Honourable senators, I rise to say a few words regarding the late Leslie Miscampbell Frost, who was Premier of Ontario for 12 years during Ontario's great period of post-war expansion, with whom it was my pleasure to be associated for eight consecutive years before I came into this place over ten years ago. It was never just a matter of politics for Leslie Frost. The man who guided Ontario into the nuclear age, who was the principal architect of post-war industrial growth, whose policies at Queen's Park pointed the way for the nation as well as the province, was a man dedicated to Canada's destiny.

But no one could discount Mr. Frost's natural ability in the political arena. He addressed people in any audience, on the street, in his office, as "my friends," and from Leslie Frost it did not sound either "corny" or insincere. He liked to refer to himself as a backwoods lawyer, but his was one of the sharpest minds ever to make its contribution to our developing society—and what a contribution!

Leslie Frost was first elected to the Ontario Legislature in 1937. He was Conservative critic on financial affairs in those opposition years, facing the redoubtable Liberal administration of Mitchell Hepburn as his baptism of fire. When the Conservatives under George Drew formed the government in 1943, he became Treasurer and Minister of Mines. He was reappointed to that post in the brief caretaker administration of T. L. Kennedy in 1948 when George Drew left the provincial field. In 1949 Leslie Frost gained the leadership of the provincial Conservatives and became Premier, while still retaining the post of treasurer, a twin role he kept until 1955.

It was his clear grasp of economics that gave him a special talent for seeing and seizing the great opportunities that came to Ontario and to Canada in the post-war years. He gave leadership to the huge program of expanding Ontario's hydro-electric generating capacity, pressed for the St. Lawrence Seaway and its power potential, urged the need to pipe natural gas from the West for Ontario's industries. This is what he said in 1951 and I quote:

> History will assess the dedication of Canadian gas and oil to Canadian use as one of the foundations of Canada's economic independence—

In 1951, within hours of the refusal of the United States Congress to approve a start on the St. Lawrence Seaway and power development, Leslie Frost announced that Ontario was prepared to go ahead in partnership with Ottawa and New York State. During his term of office the vital decision to create a nuclear power generating system was also taken.

But Leslie Frost was more than a man of economic achievement. He saw the personal needs of a burgeoning population, and he developed government housing programs and encouraged private enterprise to increase its own efforts in the field. During the Frost era Ontario established a hospital insurance plan, increased educational and municipal grants, and enacted a human rights code and other social legislation.

There is also special reason to remember Leslie Frost in Sudbury. In the 1950s it was his boast that Ontario was opening a new school, or a substantial addition to a school, every day of the year. Sudbury and the surrounding area saw its share of this building program.

Perhaps his most personal and most important contribution to education in the Sudbury region was made in the creation and launching of Laurentian University. It was Leslie Frost who urged the founding partners of Laurentian—the Roman Catholic Diocese of Sault Ste. Marie, the six northern presbyteries of the United Church of Canada and the Anglican Diocese of Algoma—to come together in the co-operative effort which made the federated university a reality. The University of Sudbury, founded by the Jesuit Order in 1957 as an outgrowth of Sacred Heart College, which has been in existence since 1913, was the nucleus with which Huntington College and the United Church and Thornloe College of the Anglican Church were later to federate in the non-denominational whole, making possible the provincial support which is not given to individual church-related institutions in Ontario.

At the first convocation of Laurentian, on May 28, 1961, Leslie Frost said in his address:

> I count it as a privilege to have been associated with you in this adventure. In fact, it is a privilege to be living in Ontario and in Canada in these swiftly moving and exciting times . . . What is being created here in Sudbury forms part of a development that is tremendously inspiring and of vital importance.

After his retirement as Premier in 1961, Leslie Frost handed over the helm to John Robarts, but he did not fade entirely from the burdens of public responsibility. At Mr. Robarts' urging he became chairman of the provincial government's committee on universities, and in this capacity continued to play an important role in the growth of Laurentian and the building of its campus on the south shore of Ramsey Lake.

Leslie Frost in the purely political context held the kind of personal magnetism for voters that both puzzled and dismayed his opponents. He never suffered a defeat after entering the legislature in 1937 and, as leader of successive Conservative governments, he held a strong position through three elections.

There was much more to that kind of record than merely the folksy manner and the dapper six foot ex-soldier's bearing. With Leslie Frost the intellect came through with the friendliness of "small town Ontario," and above all the personal integrity of the man was his great political weapon.

He served as the first Chancellor of Trent, a new university started during his tenure of office as Premier. He was a member of the board of governors of the University of Toronto, and the Advisory Committee on University Affairs of Ontario. I am convinced that during his tenure as Premier the higher education system of Ontario blossomed into one of the finest, and as a member of the committee he did much to ensure its continued growth and high standard.

Having had the pleasure and privilege of fishing and hunting with him, I soon discovered that "Old Man Ontario" was really the wisest politician that I had ever met. He liked to refer to himself as an unspectacular backwoods lawyer.

● (2010)

His deep and compassionate sense of duty all through his life as a soldier and as a politician has greatly enriched his province and Canada. His spirit of modesty and generosity towards his fellow man, enlarged by a deep faith in humanity, made nobility his great contribution.

In his friendly chats, he used to say that he was very disturbed by the growing social gap and what he described as the elevation of men of means over men of spirit. I still approve of those remarks. He aimed at the very heart of Canada's current dilemma and basic contradiction. I am more than pleased that he spoke out about such matters on many occasions. It is my belief that the principles which he expounded contain remedies that Ontario and Canada badly need at the present time.

Old Man Ontario, as he sometimes called himself, is now dead at the age of 77. Ontario has cause to be grateful for his many years of service.

Hon. Eugene A. Forsey: Honourable senators, I should be remiss if I did not venture to add my very small contribution to what Senator Bélisle has just said. I do so because I have the honour and heavy responsibility of following Mr. Frost in the office of Chancellor of Trent University, however inadequately, and I am confident that it will be most inadequately. But his work as chancellor of that university has been an inspiration to all of us connected with it and will continue to be an inspiration to me.

I can add nothing further to what Senator Bélisle has said. Anything I should attempt to add would only detract from the noble tribute which he has paid to Mr. Frost.

Hon. Paul Martin: Honourable senators, Senator Bélisle has recited the facts of the active political life of the former Premier of Ontario, Leslie Frost. As Senator Forsey has just observed, on that account it is not necessary to recall the details of Mr. Frost's productive life.

Within a period of four months, two former Premiers of the Province of Ontario have passed away, in the persons of Mr. George Drew and Mr. Leslie Frost. Mr. Frost was a devoted public servant. He was a wise and prudent director of the affairs of his party in Ontario and was recognized as being an able administrator and a good Premier.

[Hon. Mr. Bélisle.]

He had developed a close relationship with the then Prime Minister of Canada, Mr. St. Laurent, both of whom worked together in a remarkable way in matters having to do with provincial and federal affairs. Not only was Mr. Frost an outstanding political figure in the province of Ontario, but as well he did a great deal in promoting interest in the history of the communities in which he lived and in other communities throughout Ontario.

He was an able public figure and a fine man. He had many friends not only in his own ranks but throughout the province. On behalf of senators on this side, I join with Senator Bélisle in expressing our admiration for Mr. Frost and our keen sense of loss at his passing.

Hon. David A. Croll: Honourable senators, it happened that I was a member of the Hepburn government when Mr. Frost entered the Ontario Legislature, and we served together for some seven years.

When he first came into the house, I would have given anyone odds that he would not become Premier of Ontario. But he grew to such an extent that the words today of Senator Bélisle are so true and adequately fit the occasion. Mr. Frost was a big man, who thought big, who fitted Ontario like a glove, and who acted big throughout the time he spent in public life.

I shall remember Leslie Frost and hold him in very high esteem. He was a credit to the province of Ontario and to the public life of Canada.

DISTINGUISHED VISITOR IN GALLERY

MR. ANDRES ILYES—SECRETARY OF MINISTRY FOR FOREIGN AFFAIRS OF HUNGARY

The Hon. the Speaker: Honourable senators, I should like to direct your attention to the presence in the gallery of Mr. Andres Ilyes of the Ministry of Foreign Affairs of Hungary. Mr. Ilyes exhibited great hospitality to the Canadian Parliamentary Delegation which visited Hungary during the Easter recess, and all members of that delegation are very pleased to welcome him to Canada.

Mr. Ilyes is accompanied by His Excellency Janos Bartha, the Hungarian Ambassador to Canada, and Mrs. Bartha.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Financial statements of the National Harbours Board, together with the Auditor General's report thereon, for the year ended December 31, 1972, pursuant to section 32 of the National Harbours Board Act, chapter N-8, R.S.C., 1970.

Report of the Freshwater Fish Marketing Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended April 30, 1972, 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.

Order in Council P.C. 1973-710, dated 27th March 1973, amending the Bankruptcy Rules made by Order in Council P.C. 1954-1976, dated December 16, 1954, as amended, pursuant to section 180(2) of the Bankruptcy Act, chapter B-3, R.S.C., 1970.

Copies of Interim Report of the Unemployment Insurance Advisory Committee, dated April 16, 1973, pursuant to section 110(4) of the Unemployment Insurance Act, 1971, chapter 48, Statutes of Canada, 1970-71-72.

Report on proceedings under the Canada Labour Code Part V (Industrial Relations) for the fiscal year ended March 31, 1973, pursuant to section 170 of the said Code, chapter L-1, R.S.C., 1970.

Copies of a Working Paper on Social Security in Canada, dated April 18, 1973, issued by the Department of National Health and Welfare.

Report of the Northern Transportation Company Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Capital Budget of the National Harbours Board for the year ending December 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-977, dated April 12, 1973, approving same.

Capital Budget of the Farm Credit Corporation 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 copy of Order in Council P.C. 1973-1015, dated April 19, 1973, approving same.

Statement of all bonds registered at the office of the Registrar General of Canada for the fiscal year ended March 31, 1973, pursuant to section 32 of the Public Officers Act, chapter P-30, R.S.C., 1970.

Copies of a document setting forth the Canadian position with respect to Conventions and Recommendations adopted at the 55th (Maritime) and 56th Sessions of the International Labour Conference, held at Geneva in October 1970 and June 1971, respectively.

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

Report on the administration of the Canada Assistance Plan for the fiscal year ended March 31, 1972, pursuant to section 19, chapter C-1, R.S.C., 1970.

Report of Eldorado Nuclear Limited and its subsidiary, Eldorado Aviation Limited, including their accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Auditor General on the examination of the accounts and financial statements of the National Battlefields Commission for the fiscal year ended March 31, 1972, pursuant to section 12 of An Act respecting the National Battlefields at Quebec, chapter 57, Statutes of Canada, 1907-08, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the number and amount of Loans to Indians made under section 70(1) of the Indian Act for the fiscal year ended March 31, 1973, pursuant to section 70(6) of the said act, chapter I-6, R.S.C., 1970.

Copies of documents showing the federal position taken at the Federal-Provincial Meeting of Finance Ministers, held at Ottawa on May 8, 1973, concerning new financing arrangements in relation to the control of expenses of health services and post-secondary education.

Capital and Operating Budgets of the Canadian National Railways for the year ended December 31, 1973, pursuant to section 37(2) of the Canadian National Railways Act, chapter C-10, and section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-976, dated April 12, 1973, approving same.

Capital Budget of Air Canada for the year ended December 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-975, dated April 12, 1973, approving same.

Report of the Roosevelt Campobello International Park Commission, together with its financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to section 7 of the Roosevelt Campobello International Park Commission Act, chapter 19, Statutes of Canada, 1964-65.

Copies of Convention on the Inter-American Institute of Agricultural Sciences. Opened for signature at the Pan American Union in Washington January, 15, 1944. In force for Canada November 4, 1972.

Copies of Convention establishing a Customs Cooperation Council (with annex). Brussels, December 15, 1950. In force November 4, 1952. In force for Canada October 12, 1971.

Copies of Customs Convention on Containers and Protocol of Signature. Done at Geneva May 18, 1956. In force for Canada December 7, 1972.

Copies of Agreement establishing the Inter-American Development Bank (with annexes). Done at Washington April 8, 1959. In force for Canada May 3, 1972.

Copies of Agreement for the mutual safeguarding of secrecy of inventions relating to defence and for which applications for patents have been made. Signed at Paris September 21, 1960. In force for Canada September 1, 1972.

Copies of Customs Convention (with annex) on the A.T.A. carnet for the temporary admission of goods (A.T.A. Convention). Brussels, December 6, 1961. In force for Canada September 10, 1972.

Copies of Convention on the International Hydrographic Organisation. Monaco, May 3, 1967. In force for Canada September 22, 1970.

Copies of Agreement regarding the Status of Personnel of Sending States attached to an International Military Headquarters of NATO in the Federal Republic of Germany. Bonn, February 7, 1969. In force for Canada January 29, 1970.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America concerning the termination of Agreements regarding U.S. Global Communications Facilities in Newfoundland. Washington, May 9, 1969. In force May 9, 1969.

Copies of Agreement between the Government of Canada and the Government of Trinidad and Tobago on Commercial Scheduled Air Services. Port of Spain, August 11, 1970. In force definitively November 3, 1971.

Copies of NATO Agreement on the communication of technical information for defence purposes. Brussels, October 19, 1970. In force for Canada February 7, 1971.

Copies of Notes exchanged between the Government of Canada and the Government of the Dominican Republic to provide for the exchange of third party communications between amateur radio stations of Canada and the Dominican Republic. Santo Domingo, March 31, 1971. In force March 31, 1971.

Copies of Notes exchanged between the Government of Canada and the Government of the Republic of Singapore constituting an Agreement relating to Canadian investments in Singapore insured by the Government of Canada through its agent, the Export Development Corporation. Kuala Lumpur and Singapore, July 26 and 30, 1971. In force July 30, 1971.

Copies of Notes exchanged between the Government of Canada and the Government of Italy constituting an Agreement between the two governments for the training in Canada of fifty-two trainees of the Italian Air Force. Ottawa, August 24, 1971. In force August 24, 1971.

Copies of Notes exchanged between the Government of Canada and the Government of the Confederation of Switzerland to renew the Agreement of March 6, 1958, to provide for co-operation in the peaceful uses of atomic energy. Berne, December 1, 1971. In force December 1, 1971 with effect from August 1, 1971.

Copies of Notes exchanged between the Government of Canada and the Government of the Federative Republic of Brazil constituting a reciprocal amateur radio operating Agreement. Brasilia, January 6 and February 1, 1972. In force February 1, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of Trinidad and Tobago permitting amateur radio stations of Canada and Trinidad and Tobago to exchange messages or other communications from or to third parties. Port of Spain, February 11, 1972. In force March 13, 1972.

[Hon. Mr. Martin.]

Copies of Agreement between the Government of Canada and the International Atomic Energy Agency for the application of safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons. Vienna, February 21, 1972. In force February 21, 1972.

Copies of Notes exchanged between the Governments of Canada and the United States of America concerning the establishment and operation of a temporary space tracking facility in Newfoundland in connection with Project Skylab. Ottawa, December 20, 1971 and February 23, 1972. In force February 23, 1972.

Copies of Agreement between the Governments of Canada, the Republic of Iceland and the Kingdom of Norway concerning an International Observer Scheme for land-based whaling stations in the North Atlantic area. Oslo, April 7, 1972. In force April 15, 1972.

Copies of Notes exchanged between the Governments of Canada and the United States of America extending for one year from April 24, 1972 the Agreement signed at Ottawa April 24, 1970 concerning reciprocal fishing privileges in certain areas off their coasts. Ottawa, April 21, 1972. In force April 21, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the Federal Republic of Germany amending the Agreement signed July 8, 1969 concerning the use of the Churchill Research Range. Ottawa, April 28, 1972. In force April 28, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of Israel constituting an Agreement relating to Canadian investments in Israel insured by the Government of Canada through its agent, the Export Development Corporation. Ottawa, May 1, 1972. In force May 1, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of St. Vincent (British West Indies) constituting an Agreement relating to Canadian investments in St. Vincent insured by the Government of Canada through its agent, the Export Development Corporation. Port of Spain and Kingston (B.W.I.), April 27 and May 8, 1972. In force May 8, 1972.

Copies of Notes exchanged between the Government of Canada and the European Space Research Organization (ESRO) concerning cooperation on advanced space technology. Neuilly-sur-Seine, May 18, 1972. In force May 18, 1972.

Copies of Agreement between the Government of Canada and the Government of the Kingdom of The Netherlands concerning the training of students of the Royal Netherlands Air Force in Canada. Ottawa, May 24, 1972. In force provisionally May 24, 1972.

Copies of Notes exchanged between the Governments of Canada and the United States of America extending until June 30, 1973 the Agreement regarding the leasing of certain lands situated within R.C.A.F. Station Goose Bay of December 5, 1952. Ottawa, July 13, 1972. In force July 13, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the United

States of America amending the Agreement of March 9, 1959 concerning the Tariff of Tolls on the St. Lawrence Seaway (with Memorandum of Agreement). Washington, July 27, 1972. In force July 27, 1972.

Copies of Trade Agreement between Canada and Tunisia. Tunis, August 8, 1972. In force August 8, 1972.

Copies of Agreement between the Government of Canada and the Government of the People's Democratic Republic of Algeria relating to the sale of wheat by Canada. Ottawa, August 18, 1972. In force August 18, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the Republic of Guatemala constituting a reciprocal amateur radio operating Agreement. Guatemala City, August 28, 1972. In force September 12, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the Republic of Italy constituting an Agreement to amend the Agreement for air services as specified in the Agreed Minute of April 28, 1972. Toronto, August 28, 1972. In force August 28, 1972.

Copies of Trade Agreement between the Government of Canada and the Government of the Republic of the Philippines (with exchange of letters). Manila, August 29, 1972. In force August 29, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the United States of America regarding the preservation of the quality of water in the International Section of the St. John River. Ottawa, September 21, 1972. In force September 21, 1972.

Copies of Agreement between the Government of Canada and the Government of Ireland relating to the Canada Pension Plan. Ottawa, November 21, 1972. In force January 1, 1973.

Copies of Notes exchanged between the Government of Canada and the Government of the Republic of Liberia constituting an Agreement relating to Canadian investments in Liberia insured by the Government of Canada through its agent, the Export Development Corporation. Monrovia, Liberia, November 24, 1972. In force November 24, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the State of Spain concerning Fisheries Relations between the two countries. Ottawa, December 18, 1972. In force December 18, 1972.

Report by the Textile and Clothing Board, dated September 27, 1972, relative to an inquiry respecting broad woven polyester filament fabrics, pursuant to section 9 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72.

Report by the Textile and Clothing Board, dated January 24, 1973, to the Minister of Industry, Trade and Commerce, pursuant to section 19 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72, respecting double-knit and warp-knit fabrics.

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

Report relating to matters transacted by the Registrar General of Canada as Registrar under the Trade Unions Act during the fiscal year ended March 31, 1972, pursuant to section 30 of the said act, chapter T-11, R.S.C., 1970.

List of Commissions issued under authority of section 3 of the Public Officers Act during the fiscal year ended March 31, 1973, pursuant to section 4 of the said Act, Chapter P-30, R.S.C., 1970.

Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-1028, dated April 19, 1973, approving same.

Copies of a document outlining details of the first trilevel Consultation for Ontario to be held May 28-29, 1973 at Trent University, Peterborough.

Copies of three letters, dated February 17, 1970, March 11, 1971 and March 26, 1971, addressed by the Postmaster General to Mr. Raymond Parent, Secretary General of the Confederation of National Trade Unions, with respect to mail transport in Montreal between July 1, 1968 and June 30, 1972, as requested by the Honourable Senator Forsey on March 27, 1973.

PRIVATE BILL

CENTRE AMUSEMENT CO. LIMITED—FIRST READING

Hon. John J. Connolly presented Bill S-6, respecting the Centre Amusement Co. Limited.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

● (2020)

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Herbert O. Sparrow moved second reading of Bill S-5, to amend the Farm Improvement Loans Act.

He said: Honourable senators, the purpose of Bill S-5 is to increase the principal amount of a guaranteed farm improvement loan from the present amount of $25,000 to $40,000, of which not more than $30,000 may be borrowed for the purchase by a farm owner of additional land for the purpose of farming, and not more than $30,000 for the purchase of agricultural equipment, construction, repair or alteration of farm buildings, general works for the improvement or development of a farm, or the purchase of livestock, subject to the overall limit of $40,000. The

present maximum loan allowable for each of the two categories above is $15,000, for an overall limit of $25,000.

The Farm Improvement Loans Act came into force in March 1945 for an initial period of three years. It was subsequently amended from time to time to provide additional lending periods and to widen its scope of operation. The purpose of the legislation is to facilitate the availability of intermediate term and short term credit to farmers for the improvement or development of farms, and for the improvement of living conditions on the farm.

The loans are made to farmers by chartered banks and other lenders designated by the Minister of Finance, such as credit unions, trust companies and caisses populaires. The present act authorizes the Minister of Finance to guarantee against loss loans made by these lenders. In the case of a loan made by chartered banks and other institutions, the Minister of Finance guarantees up to 10 per cent of the aggregate principal amount loaned by these institutions, to a total outlined in the act for each loan period designated. The present loan period extends from July 1, 1971 to June 30, 1974. The aggregate principal amount of the guaranteed farm improvement loans made during that period shall not exceed a total for all lending institutions of $1,200 million.

The total value of loans made during the previous three-year period from July 1, 1968 to June 30, 1971 was $326,-195,760. On a calendar year basis, during 1969 there were 46,891 loans, for a value of $142,056,000; in 1970 there were just over 35,000 loans, for a value of over $103 million; in 1971 there were slightly over 46,000 loans, for a value of over $147 million. The average loan in 1971 was $3,156. The total value of loans during 1972 was $181,085,761, an increase of approximately 22 per cent over the previous year.

Terms, security for loans, and interest rates are established by regulations under the act. The repayment period at present is three years for vehicles, with a down payment of 25 per cent; for implements five years, livestock 10 years, equipment 10 years, those last three requiring a down payment of 25 per cent. Loans for farm improvements are for a term of 10 years, with a 10 per cent down payment; for farm land the term is 15 years, with a 10 per cent cash down payment.

The interest rate for the last quarter of 1972 was 7 per cent for the purchase of land, and 6¼ per cent for all other purposes. This rate will be in effect until September 1973, at which time it will be reviewed.

This legislation has been popular, effective and widely used in all the provinces of Canada. It has played a great role in the efficient operation of the agricultural industry of our country. It has made possible a food pricing policy that gives Canadians the best return for their food dollar as compared with any country in the world.

One may ask why an increase in the amount of money available for loans is justified at this time. The first reason is that since 1968, when the last adjustment was made—from $15,000 to the present $25,000—the cost of living index has jumped over 20 per cent. This increase in general prices has been reflected as well in the cost of agricultural machinery and vehicles.

[Hon. Mr. Sparrow.]

Secondly, the expansion of world markets for our wheat, rape, and feed grains has and will necessitate the more efficient use of farmlands, and the use of newer, better and larger farm equipment, if we are to satisfy these markets. This means more capital investment will be required.

Furthermore, the need to diversify our agricultural industry further, by expansion of the livestock industry, requires further inputs of capital. Beef production in Canada has a new lease on life. Now that the consumer is finally paying a fair price for his meat products, this part of the agricultural industry is profitable.

If we are to be able to supply our domestic needs for red meats, and take advantage of the world markets opening up for these products, we must be prepared to double our production of these products in the next ten years. This fantastic expansion will require millions of dollars of new investment. The Farm Improvement Loans Act will play an important role in filling this need, particularly if Parliament sees fit to increase the loan amounts available.

Honourable senators, there are three questions to be asked. The first is: Is this bill that is being presented today within our constitutional power? I have been advised that it is within the constitutional right of the Senate to consider this amendment, pass it, and refer it to the other house.

The next question that may be asked is whether the aggregate amount is sufficient, with the guarantee by the Minister of Finance. It appears to be sufficient, and I have had word from the Department of Finance that the aggregate amount of $1,200 million should be sufficient to look after any increase in the amount of loans from $25,000 to the $40,000.

I understand that the Minister of Finance and his department are anxious to make further changes in this act in the future but, if my understanding is correct, there will be no further amendments, proposed during this session of Parliament, due to lack of time to study and review all aspects of this and other legislation guaranteeing loans to small businesses and fishermen. If that is the case, and if a consideration cannot be given to these matters this year, it might very well be too late to give this further needed assistance to agriculture and to look after the expansion that is required now.

On motion of Senator Welch, debate adjourned.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, April 11 the adjourned debate on the motion of Senator Laing for the second reading of Bill S-4, to amend the National Parks Act.

Hon. Frank C. Welch: Honourable senators, in contributing to this debate on the motion for the second reading of Bill S-4, to amend the National Parks Act, I point out that as life becomes more complicated, with the ever-increasing volume of legislation and regulations—federal, provincial and municipal—more and more overlapping and duplication is bound to occur between the

various jurisdictions. Thus we have provincial parks, municipal parks, and federal or national parks. National parks have taken huge chunks of provincial land area—someone has estimated that it is approximately one-twentieth—and to this extent Nova Scotia is no longer the master in her own household.

Even more serious is the lack of co-ordination. There are two policies, two concepts, two sets of park standards, two sets of senior officials, two sets of wage rates, and all this means that at present there is little or no co-operation. Surely this situation is less than sensible in a small province, even less than in a large one. Surely one activity we are capable of managing and developing in harmony with our own characteristic provincial attributes is a park program.

● (2030)

In Nova Scotia we have a very low population density—36 people to the square mile or 20 acres of habitable land per person. Next to Newfoundland, and perhaps Prince Edward Island, we have more shore frontage or water frontage in proportion to total area than any other patch on this continent. Our hinterland, except for ribbon development along our roads and highways, is still almost completely undeveloped. The timing is ripe for the adoption of a long-term parks policy and a program which calls for the best possible utilization of all available land.

This can only be a multi-use concept, a concept which visualizes full utilization of all productive aspects of the land in its full potential. Much of our land can provide, at the same time, forest growth, wildlife habitat and many kinds of recreational facilities. There should be overall plans for providing water storage, for providing drainage in some areas and wet lands in other areas, and for making provision for mining and quarrying when economic conditions so justify.

Instead we have given vast areas of our land away to the federal government, which promptly freezes all economic activity except for a few picnic and camping sites with the roads thereto. This is the sort of enterprise which the province should do for itself.

We need parks and plenty of them. A long-term plan and policy should be adopted. There should be as little delay as possible in identifying and acquiring sites. At this point in time, and with the current under-usage of existing parks, the proposed gift by the province of 225 square miles of land water to the federal government should be analyzed and questioned.

Perhaps the main point at issue hinges on the merits of giving this land to the federal government. Why should the ownership not be retained by the provincial government, since our sovereignty as a province is continually being eroded by and attached to the federal government and since the cost of the land, which is the biggest cost involved, has to be shouldered by the provincial government anyway?

Other provinces, specifically Ontario and Quebec, refuse to participate in the national parks program. Both have their own park systems. Ontario is trying to buy back its national parks. There are only Mount Pelee, six square miles, Georgian Bay Islands, five square miles, and St. Lawrence Islands, less than half a square mile. So these parks do not compare with ours in Nova Scotia, with, for instance, the Cape Breton Highlands Park, which comprises 367 square miles.

This immense territory may give the civil servants involved a tremendous feeling of power and prestige, but actually the bulk of this square mileage is not used as park at all. It is inaccessible, and the only parts of the national parks that really count are the developed camp sites and trails. In our present national parks in Nova Scotia, such areas form only a small part of the total park area. The rest is frozen, locked up. The trees can and will die of disease and old age, but no commercial activities can be carried on either in forestry or in mining.

Nor are these vast areas of much value as game sanctuaries. The quality of wildlife in national parks does not materially change, nor does the quantity materially increase. As a matter of fact, Nova Scotia has long had four large game sanctuaries or preserves; namely, the Liscomb game sanctuary just north of the proposed new park on the eastern shore; the Tobeatic game sanctuary; the Chignecto game sanctuary and the Waverly sanctuary. But over the years no startling increase in wildlife population has been seen to develop in these sanctuaries, or, for that matter, in the 367 square miles of the Cape Breton Highlands Park.

A recent editorial in *The Advertiser* of Kentville, referring to national parks, asks, "How Many is Enough?" The editorial says, in part:

> Despite a lot of money poured into this province to change things, national resources and resource-based industries remain the backbone of the economy. The withdrawal of land for national park purposes narrows the resources available. Counting the new park, we have given away almost a twentieth of the total land area of the province.

The editorial goes on:

> But the law of diminishing returns applies to parks as well as other things. We gave much more forest potential away in return for Kejimkujik Park, and received far less by way of tourist bait or recreational benefit. This is Nova Scotia's last remaining wilderness area—and most of that has been turned into a sort of Coney Island with trees.
>
> How badly do we really need a third national park? If we had 33 would it bring in 33 times as many tourists? Or even 33 more tourists?
>
> These questions are worth asking, but difficult to answer. Perhaps the value one places on a national park must depend on one's sense of values in general.
>
> And some of us are still so unreconstructed as to shudder at the thought that our outdoor recreation is increasingly to be taken under the kindly and unctuous supervision of Big Brother: that he will mark the rocks lest we upset our boat, and smooth the path so that our pleasures will be effortless.
>
> Like many other good things, national parks can be overdone.

Contrary to some expectations, the new park on the eastern shore of Nova Scotia is not likely to galvanize the economy. The 20 to 30 seasonal jobs could be generated in

a provincial park of a few hundred acres. This could be done by developing two or three camping sites and picnic areas and leaving 200-odd square miles of the area available for multi-use resource development and as a wilderness area. No estimate seems to have been made with regard to loss of jobs in logging, pulp cutting and mill operation as a result of freezing this large forested region so far as industry is concerned.

Much of the land is already owned by the province and, since it can be assumed that 99 per cent of the area will not be developed under the existing policy, it is hard to understand how the transfer of such land to federal supervision will produce any economic benefit to the area—at least any greater benefit than might be expected from provincial park sites on the limited areas to be actually used.

It will mean, of course, a further transfer of land from private ownership to public ownership, but since more than a quarter of the land area of the province is already owned by the government as crown land—more than three million acres of it—and since the government continues to purchase land from private owners as they find taxation too much of a burden and decide to sell, this is not an argument in favour of the establishment of more national parks.

Moreover, because of the increasing number of private parks now being developed, some of them offering attractions beyond the scope of government parks, the need for a new national park may not be so compelling.

● (2040)

The communiqué released by the Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development, announcing the establishment of the new park, says, "The number of visitors to Canada's national parks has more than doubled in the last ten years". But this statement is not endorsed by the *Canada Year Book* for 1970-71. On page 44 the attendance figures for the five years to 1970 are given. Attendance at the Cape Breton Highlands Park in 1966 was 729,663, while in 1970 it was some 134 higher at 729,797. This is hardly a doubling. Similarly, at Fundy Park the attendance in 1966 was 679,406; five years later in 1970 it was somewhat less, 632,194. This may or may not represent a trend. If it does, more business must be going to private parks which provide special attractions.

While Ontario and Quebec have turned thumbs down on national parks, both provinces have adopted far-reaching and forward-looking parks programs of their own. Quebec has set aside 75,000 square miles of her territory as park lands, more than three times the entire area of Nova Scotia. Ontario has set aside 15,000 square miles. This may not mean that these lands are taken out of circulation, as are national parks, but it does mean that they are zoned and controlled, and that long-term plans and policies are being formulated to develop the areas as recreational reserves.

The plan is to guide the evolution of such reserves so as to take advantage of all the potential of recreational activity, and at the same time to preserve the multi-use of the land wherever possible. In other words, this recreational potential will co-exist with a landscape of normal activity and be enriched by it. Five park classes have been established in Ontario—primitive, natural environment or heritage, wild river, nature reserve, and recreation. In the larger parks comparable zones have been established—wilderness or primitive, natural historic, multiple use, and recreation.

Could it be that we have bought "a pig in a poke" in our new national park? How much study, analysis or careful investigation of the probable economic consequence has ever been done? The answer is, of course, very little. Has any attempt been made to assess and evaluate the Ontario and Quebec approach to a parks policy as compared with our provincial hit and miss approach? Again the answer is, I suggest, no.

If the Eastern Shore Park proposal goes through—to be paid for by the taxpayers of Nova Scotia with the land being presented to the federal government—then the federal government will own and administer more than a quarter of a million acres of our forested land. We have only about nine million acres in total. This is a lot of territory in respect of which the provincial government will surrender control.

Consider the problem created when the federal government assumed that it acquired title to Sable Island at the time of Confederation. At that time Sable Island was the undisputed responsibility of the Nova Scotia government, which accepted that responsibility and spent provincial moneys in maintaining lights and lifesaving stations on the island. Confederation seemed to offer an opportunity to opt out of this responsibility and save some money, so the province opted out. It did not transfer title. That question apparently never came up. It was not until the possibility emerged that the island might be valuable because of the oil that was under it that the province began to reassert its claim to ownership.

So the ownership of and jurisdiction over a few square miles of sandy waste suddenly became an important constitutional question. Yet, at the same time, some people are enthusiastic about turning over a million acres of our best forested land to the federal government, and maintain that this is a good deal for the economy of the province of Nova Scotia.

But not all the citizens of Nova Scotia believe this. Only last week a group demonstrated before the provincial legislation buildings in Halifax protesting against the establishment of this new Eastern Shore National Park. This group had asked to meet with Premier Regan to discuss the expropriation of their homes and lands, but he refused to see them or give them an appointment. Even the Provincial Secretary, Mr. Brown, who is the provincial member for the eastern shore community, was not available to the group. A small number of them camped outside the building all night in the hope of seeing the premier the next morning, but he entered his office by another route and they had to leave without seeing anyone.

Surely the freezing of hundreds of thousands of acres of ordinary everyday forest land, such as is included in Kejimkujik and as is proposed on the eastern shore, does not seem right, particularly when the forest itself is to be neglected as far as sylvicultural management is concerned.

Since only a small fraction of such parks will ever be used for recreational purposes, just what are we trying to

prove? What possible benefit do we achieve by transferring wilderness land from provincial to federal jurisdiction? With the inevitable long-term appreciation in the value of the land, can the province afford to purchase such land and turn it over to the federal government to freeze?

Perhaps our co-operation with the federal government in establishing the Kejimkujik National Park was a mistake. Kedge Lodge, which gave as much employment as the new park now gives, is gone, and in ten years nothing has replaced it. The 87,000 visitors—down 20,000 from the year before—said to have visited the park last year could have been accommodated in small provincial parks and picnic sites. Most of the visitors obviously drove in and drove out. There are far from adequate facilities in the park to accommodate 87,000 campers during the two months the park is used. The main federal contribution in this case is the system of access roads in the park. The unique features, national park officials stress—the lakes, the wilderness, the terrain and general charateristics—have always been there, and have not been augmented by conversion from provincial to federal ownership.

If honourable senators will permit me, I should like to mention my personal experience with provincial parks.

In 1967 Mrs. Welch gave a valuable piece of land, 167 acres, in Country Harbour, Nova Scotia, to the provincial government for a park in the hope that this waterfront land with one of the finest views in the province would be used for the benefit of tourists or all those who wished to use it. After the government spent some few thousand dollars erecting tables for use by the public, the Department of Lands and Forests erected a sign at the entrance of the park stating, "No camping here—picnics only."

In Nova Scotia you can picnic under the trees and near water about every two or three miles. If this is the way Nova Scotia intends to use its parks, then why should they take another 225 square miles of valuable land for park use? If used as they use the Country Harbour Park, it would employ one man to stand by the entrance to tell tourists, "You cannot camp here."

In brief, what I am saying is that the national parks policy may have become bogged down in officialdom, stereotyped ritual, red tape, and negative overzealousness for nature in the abstract. There is nothing to be gained by turning over more provincial land to the federal government.

I recommend, honourable senators, that this bill be referred to a committee for study.

● (2050)

Hon. Renaude Lapointe: I would like to ask Senator Welch who told him that Ontario and Quebec did not accept the national parks program? As a former information officer for the Department of Indian Affairs and Northern Development I can assure the honourable senator that Ontario has two national parks integrated into the national parks system, the Point Pelee and Pukaskwa. Quebec also has two national parks, the Forillon in the Gaspé Peninsula and the Mauricie near Three Rivers, which were both established under the National Parks Act.

Hon. Mr. Welch: I believe I did make a statement that Quebec and Ontario were endeavouring to buy back the national parks that are now in the hands of the federal government.

On motion of Mr. Flynn, debate adjourned.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FIFTEENTH MEETING—DEBATE CONTINUED

The Senate resumed from Thursday, April 12, the adjourned debate on the inquiry of Senator Aird calling the attention of the Senate to the Fifteenth Meeting of the Canada-United States Interparliamentary Group, held at Washington, D.C., and White Sulphur Springs, West Virginia, from 4th to 8th April, 1973.

Hon. Allister Grosart: Honourable senators, when I adjourned the debate on Senator Aird's inquiry before the recess it was my intention then to follow his example and relate the visit of the Standing Senate Committee on Foreign Affairs to Brussels, and the subsequent meeting which Senator Aird and I attended in Amsterdam, to the visit of the Canadian delegation to Washington in connection with the meetings of the U.S.-Canada group. However, I am advised that a number of senators who took part in the Brussels meetings—those very important meetings, in my opinion—are prepared to speak and I think it is of the utmost importance that we hear their comments. Many of them took a prominent part in the affairs at Brussels, and I am sure the Senate will gain much from hearing from them. For that reason I have been requested by the Chairman of the Standing Senate Committee on Foreign Affairs to call attention to that formally, which I will do tomorrow.

My remarks tonight, therefore, will be related to the meetings in Washington of the U.S.-Canada group. There will, of course, be some reference to the European situation, because the present and future political, diplomatic and trade relations between Europe and North America are in many ways completely inseparable from the problems of Canada-U.S. relations.

I would like to emphasize that, because if I brought back one impression more than any other from the two meetings in Europe, it was that the future of Canada will depend almost entirely on what happens in Europe-North American relations or, specifically, European-United States relations, because obviously the outstanding characteristic of the age in which we live is change, sudden and unpredictable change, and the most characteristic spin-off of that, of course, is that this kind of change leaps over national, international, hemisphere and other boundaries as never before in history.

The experts who are now attempting to assess the kind of world in which we will be living in the immediate future, particularly in relation to the economic characteristics of that world, its trade relations, are tending to speak now of what they call the "Pentagon World." This has no relationship whatsoever to that Department of Defense building in Washington, but rather to the five emerging world blocs which between them constitute over 80 per cent of the gross national product of the world. In terms of shares the United States today has 30 per cent of the world GNP, the European Community about 25 per cent, the U.S.S.R. 16 per cent, Japan 7 per cent, and China

3.7 per cent. I need hardly say that the percentages of the latter two, Japan and China, appear to be headed for considerable increases in the not too distant future. But for Canada and, perhaps, for the world, the determinants of the kind of economic world we will be living in will depend on the relationship of the Atlantic countries. It will be determined between the Atlantic blocs, that is to say, between Western Europe and the United States—to narrow it down I might say, perhaps, between the new European community of nine nations and the United States.

The question to which it seems we had to address ourselves more than any other in Washington was: What will that relationship be? The question came up over and over again, and from the Canadian point of view, of course, we had to ask: Where do *we* fit in? The relationship between those two blocs may be one of settling their differences in comparative harmony, general agreement on methods of liberalizing world trade. If so, Canada will be one of the big winners. If, on the other hand, the trend is toward a trade bloc war, Canada will, of course, under present circumstances find itself in the unenviable position of being the odd man out. The question I think that was in all our minds in Washington was "Where is Canada?" What kind of policies are we developing to prevent the calamity that could happen, and to ensure, if possible, the continued prosperity that could also occur?

In case anyone doubts the seriousness of the possibility of a bloc trade war, specifically between the United States and the European Community, perhaps I may quote a very distinguished commentator, the Honourable Henry Fowler, speaking at the Amsterdam Conference which Senator Aird and I attended. He said:

> But today that system is threatened with a tragic breakdown or, at least, a dangerous paralysis that makes it highly vulnerable if the foreign exchange and gold markets of recent months are any sign. Retreat, to the accompaniment of continued inflation or threatened recession, into autarchy, beggar-thy-neighbour tactics, narrow nationalism, neo-isolationism or retrogressive regionalism seems as likely as advance into an improved and modernized system of international cooperation.

What Mr. Fowler is saying is that at the present time, in his judgment, one alternative is as likely to happen as the other and, speaking of that one which I am sure we all hope will be avoided, he speaks of continued inflation, narrow nationalism, autarchy, beggar-thy-neighbour tactics, neo-isolationism and regressive regionalism, all of which, unfortunately, are part of Canadian policies today. I do not say that in a narrow, critical sense, because they are also characteristic of the policies of almost every country in the world. I will have something more to say about the specifics of the situation that faces us, the kinds of policies that we need to adopt if we are to avoid the calamity that these kinds of policies will cause in Canada and for the world if they are pursued.

● (2100)

The problem with Canada, of course, is that we are suddenly faced, at a time in our history when we are more dependent than ever on international integration, co-operation and access to world markets, with a rising sense of nationalism which seems to reject offhand some of the more obvious solutions to our problem.

I need hardly say that the United States is faced with a somewhat similar problem, but not to the same extent. Canada's big problem, of course, is her unbelievably large dependence on world markets.

As a percentage of world trade, exports in relation to national productivity between, say, three groups of countries, are as follows: Canada is 56 per cent dependent on exports for her national productivity. That is not the figure of exports in connection with GNP. That is an official figure related to national productivity. The equivalent figure for the European Community is 20 per cent, and for the United States it is 14 per cent. In relation to the United States, of course—

Hon. Mr. Martin: I think it is 22 per cent.

Hon. Mr. Grosart: Twenty-two per cent is the other figure. Sometimes it is given as high as 24 per cent, but 22 per cent is as good a figure as any. This is a different figure. I have used it before. I used it in Washington, and I was able to produce the supporting documentation. In terms as I expressed them, these figures are correct. They represent the percentage of world trade exports in relation to national productivity. Seventy per cent of our exports now go to the United States. The total percentage of United States investment in Canada, direct new investment, is 80 per cent.

So it can be said that for us multinationalism begins at home. There are 50 American states and 10 Canadian provinces. If we are going to look to the kind of future that I foresee for Canada, we have to start at home to develop some degree of multinationalism between our two nations, because there is a great difference in world trade between internationalism and multinationalism.

Multinationalism can be an association between a group of countries. An obvious example is the Economic Community. They have multinational free trade, a multinational Common Market, but the highest tariff wall that has ever been raised in the world for certain products, particularly agricultural products.

In reporting directly on the participation of the Canadian group in Washington, perhaps I may say that the names of those who participated—the distinguished senators and congressmen from the United States and senators and members of Parliament from Canada—and the program of topics discussed were placed on the record by Senator Aird and appear in the *Debates of the Senate* for April 12. I will be reporting directly at this time only on certain aspects of those discussions, namely, on some of the discussions that took place in one of two committees, the Committee on Trade and Monetary Affairs. That was broken down, as the record will show, into four different subjects: multilateral trade, international monetary reform, industrial policies, and international trade and foreign ownership policies.

It was my privilege to be asked to open the discussion on multilateral trade, and my remarks will be confined to commenting in that context on four general statements which appear in the report of the committee, being the report of the Fifteenth Meeting of the Canada-United

States Interparliamentary Group which appears in the *Debates of the Senate* of April 12 at page 527.

The four points with which I wish to deal briefly are as follows: first, the statement that the discussion was directed toward four principal issues: multilateral trade, international monetary reform, industrial policies, and international trade and foreign ownership policies; second, the statement which the group reports that delegates from both Canada and the United States were of the view that interdependence of Canadian and United States interests should be paramount to bilateral irritants; third, the statement concerning the desirability of United States-Canadian co-operation vis-à-vis other trade blocs; and, fourth, a related statement which I will read in full.

> Probably the most significant consensus which emerged from the subjects discussed during the deliberations of the committee was that the United States and Canada should speak with one voice in dealing with multilateral trade matters, although it was generally agreed that neither country should lose its sense of perspective with respect to minor trade problems.

On the first, I need hardly say that the four principal topics are closely related. This has not been generally recognized in the past, particularly in national policies, and certainly not in Canadian policy over the years.

Regarding multilateral trade, monetary reform, industrial policies, and foreign ownership policies, I think the lesson which has been learned—certainly that was made clear in Washington—is that the time has long gone when these can be dealt with by unco-ordinated and segregated political policies.

It is now perfectly clear that in the domestic field the policy that is determined in any of these areas—all connected with multilateral trade—will affect each other, will distort each other; and this, of course, has happened over and over again in Canadian policy over the years. Many examples of this appear in reports of the Science Policy Committee, even in a very narrow field. This has been clearly indicated.

The relation of monetary policy to trade policy, of course, is obvious. It has been pointed out, for example, that it makes no sense to work for years and years—as was done in the Kennedy Round, and perhaps will be done again in the Tokyo Round in September—to reduce tariffs, if this is done in isolation.

Obviously it makes no sense to have a tariff reduction across the board of 5 per cent if the next day, or the next week, or the next month there is a monetary revaluation which in effect increases the tariffs of some countries by 10 per cent or more. This has been experienced over the last few years, with monetary crises which have made a complete mockery of reductions in the Kennedy Round.

The relationship to foreign ownership in the general field of multilateral trade will, of course, as indicated tonight, be discussed by the Senate with respect to our own suggested legislation dealing with foreign ownership.

The situation is certainly a difficult one. The last figures that I saw indicated that over 9,000 Canadian corporations are foreign owned. Most are, of course, American owned. That is 9,000 out of a total of 200,000, which on the surface does not seem exorbitant until we look further into the figures and find that those 9,000 control 24 per cent of the total assets of corporations in Canada, and that the average asset value of a foreign corporation in Canada is almost $8 million, whereas the average asset value of Canadian corporations is just under $1 million. I say that to indicate that all these problems are closely linked together. This was abundantly indicated by the facts and figures that were given to us in Washington.

● (2110)

The second point in this group is that the problems of interdependence between our two nations must in future take precedence over bilateral irritants. I think there was, perhaps, more general agreement on this than on any other point that was raised during the discussions. There was tendency, which I certainly welcomed, to play down the so-called irritants. In the briefings we received before we left Canada a great deal of stress was placed by departmental officials on these irritants. That is understandable, of course, because it was anticipated that when we got to Washington our opposite members would bring up the question of these irritants and we were expected to be in a position at least to explain, and perhaps to defend.

It is not my intention this evening to discuss those irritants in detail, but merely to indicate what some of them are. As I indicate them it will immediately become apparent that in each case this was a policy which seemed absolutely, imperatively necessary to meet the requirements of Canadian conditions. But, of course, this is the excuse that every nation uses when it develops policies that irritate other nations and tend to compromise their relations.

One of the irritants we found was the extension of our territorial waters to 12 miles. This was understandable, of course. There was great domestic pressure for that, and it was done. However, it did irritate our neighbours, not only because it was done, but particularly because of the way in which it was done—certainly without adequate consultation. Even as laudable a domestic policy as the extension of pollution limits in the Arctic to a hundred miles we found to be an irritant, for the obvious reason that we are asserting a sovereignty over territory which historically has been regarded by other nations as international waters. The same applies, of course, to the virtual closing of international waters such as the Gulf of St. Lawrence to international fishing.

As I say, there are explanations and reasons for these policies. I merely point out that they are irritants. Even our policy of support for regional industry is resulting in countervailing action from the United States. On the other side, of course, we have the problem of DISC, the creation of a new kind of corporation which will result in tax deferments for certain of its export businesses, an obvious incentive for Americans to invest their money where it will provide the highest return to them, not to the country in which it is invested.

I do not intend to discuss all of these irritants. The point I wish to make is that when these irritants were contrasted with the possibilities, the imperatives, for co-operation between our two nations, they seemed to fade somewhat into the background. The point occurred to me, again relating to our inquiry into the workings of the European

Community—and I use the term "European Community," not "European Economic Community," because it has officially changed its name; it is now the European Community. That is a very significant change and there is a very good reason for it.

Hon. Mr. Davey: I wonder if Senator Grosart would permit a question. Were these irritants he mentioned raised by the Americans he talked to?

Hon. Mr. Grosart: That is a very good question. We were told before leaving for Washington that there was an official American list of irritants. I inquired of many people with respect to such a list, because I wanted to see it. As far as I am concerned, it does not exist. What has happened is that from time to time Americans at various levels—the ministerial level, the departmental level, and the diplomatic level—have raised these questions.

Some of the more significant ones were raised from time to time by various American senators and congressmen during the course of discussion. Of course, the auto pact is the showpiece of the irritants, if irritants do, in fact, exist. The balance of trade, which I will refer to in a moment, is another serious irritant. The balance of merchandise trade, perhaps, was referred to in our discussions. I was unable to get those figures. I am having a great deal of difficulty in getting the real figures which would illustrate what has happened to the balance of trade between Canada and the United States. The reason for that, of course, is that the Americans dispute the Canadian figures, and the Canadians dispute the American figures. There has been a series of conferences held for the purpose of reconciling the figures. There have been some agreements, but in the course of working out these recommendations the economists and statisticians have changed all of the good old simple phrases such as "Merchandise Trade" and "Non-merchandise Trade." They now use other terms. For example, they no longer contrast Merchandise Trade with Non-merchandise Trade. The reason for this is that there are other elements which the Americans, particularly, see in the picture. I am told the best phrase now is "Services and Transfers." So that on the one side you have Merchandise Trade, and on the other Services and Transfers, which for the sake of simplification I will call "Other."

I say this is the major irritant for the obvious reason that it has created a complete change of official American attitude towards Canada. This is what brought about the famous August 15 new economic policy announced by President Nixon. This is the thing which is behind DISC and the whole new attitude of the United States towards the world and, particularly, towards Canada.

To see why, we have to go back 10 years. This is from the Canadian point of view. In 1963 we had a deficit of $448 million in Merchandise Trade with the United States, and a deficit of $660 million in Other, for a total deficit of $1.148 billion. In 1965 the deficit in Merchandise Trade was up to $1.041 billion and in Other to $896 million, for a total Canadian balance of payments deficit of $1.937 billion.

Hon. Mr. Lamontagne: On the current account?

Hon. Mr. Grosart: The final figures I am giving you are current account figures; it is the arithmetic between the two figures.

[Hon. Mr. Grosart.]

In 1967 the deficit in Merchandise Trade was $569 million and in Other $773 million, for a total current account deficit of $1.342 billion. This was a slight drop, largely due to Expo that year. In 1968, on the Merchandise Trade side, there was a major change. Senator Davey asked about the irritants and, statistically, this is the focal point. In 1968, for the first time in 78 years, the United States had a deficit in Merchandise Trade with Canada, and they woke up to that and its implications. The danger signals started to fly and they flew even higher when in 1971 that surplus, the first surplus in 78 years, rose to $1.134 billion. In 1972 it stayed about the same. Not all of the figures are in, but it appears to be slightly less.

• (2120)

In the current account deficit we have come down from a position in 1966 of perhaps $2 billion in current account balance of payments with the United States to a mere $310 million last year. Of course, this can be a two-way irritant. The Americans can be irritated because we have gone from a deficit to a huge surplus in Merchandise Trade. We, however, can point out on the other hand that in overall balance of payments we are still in a deficit position.

Hon. Maurice Lamontagne: Will the honourable senator permit questions?

Hon. Mr. Grosart: Of course.

Hon. Mr. Lamontagne: Does the honourable senator not think it a little artificial at the moment to discuss these figures? They have been shown by the two countries as being so wrong for 1970. In 1970 the Americans were claiming a deficit with us on current account of $600 million; we were claiming a deficit with them of $200 million. When the representatives of the two countries met last March they came to the conclusion, and agreed, that for 1970 the deficit on current account by the United States was $100 million. When we speak about deficits and surpluses from previous years, or in subsequent years, we are just juggling with false figures.

Hon. Mr. Grosart: This, of course, is one point of view, but only one. There are other points of view. As a matter of fact I have the figures here, and Senator Lamontagne has quoted them almost exactly. I mentioned earlier in my remarks, when perhaps the honourable senator was not listening carefully, that there had been these discussions. I used the word "reconciliation." There has been this attempt. It can be argued that the new figures are more political than statistical. They are the result of some bargaining back and forth to achieve a certain result. Some of our best statisticians, people responsible for the figures I have quoted, are not prepared to admit they were wrong. They are prepared to say there were different interpretations, that different things might be put in that others would not put into the balance of payments, such as some of the transfers. This is a question of interpretation.

However, when we come to the figures as I have given them, the trends are still there. I am quite sure that any reconciliation of the figures will not affect these trends. If they do go back, which I doubt—there is some doubt whether they will do it for 1972—there is some doubt as to the statistical validity of the compromise made in 1970. That is the best answer I can give to the honourable senator, who knows more about it than I do. I can only

indicate to him that I was prepared for his question, no matter how inadequate my answer may be.

I was speaking of that as an irritant. I will not go into all the irritants, but I repeat that the important thing is the fact of interdependence. That brings me to the third point that appears in the report, which is the possibility, in fact the necessity, of Canada and the United States starting to speak with one voice on certain matters in the international trade field. That is very difficult when we have the irritants. However, amazingly enough, in Europe there are nine nations with different languages who are now able to say, "We speak with nine languages and one voice." Sir Christopher Soames told a committee of this house when we asked him about this, referring to the forthcoming GATT negotiations in Tokyo, "The Community will speak with one voice, and that will be mine," because he is the External Commissioner. When we asked others, some of the commissioners, some of the permanent representatives, even some of the members of the Council of Ministers they all said, "Of course we are going to speak with one voice."

Conjecture for a moment on the fantastic number of differences there must be in trying to bring a single voice to the round of GATT negotiations from those nine nations, whose trade interests and social interests are far more disparate than those existing between Canada and the United States. We have to ask: is it not possible that we can get together as two nations and find things on which we agree, agree to speak with one voice to the nations of the world, particularly to the Economic Community?

The Economic Community has an agricultural policy called CAP, the Common Agricultural Policy. It is probably the most reactionary thing that has happened in the tariff field in history. The United States is determined to breach that somehow. Our interests are even greater than those of the United States. They have maybe two or three commodities, whereas we have many, that are seriously discriminated against by that Common Agricultural Policy. Yet to every question asked the answer has been in the negative, that we are making no attempt to get together with the Americans to speak with a common voice in GATT rounds and elsewhere on this, no common industrial tariff policy, none on reverse preferences. It simply makes no sense for Canada to continue extending bilateral aid to many countries around the world when they are the recipients of discriminatory reverse preferences in the Common Market, which are affecting our trade. It just does not seem to make any sense to try to balance one against the other. The Americans feel the same way.

What is the answer? The Secretary of State for External Affairs recently took a shot at this and came up with a policy for Canadians called "Options for the Future," wherein he examined certain options and came up with a quite harmless one, which was a sort of arms-length semi-friendship with the United States.

There is an extreme viewpoint, and I put it on the record noting it as extreme, because it comes from no less a personage than Professor Harry Johnson and appears in *International Perspectives* of January/February 1973. I see Senator Lamontagne smiles. He may wonder why I quote Harry Johnson, because he will remember the time when I gave a paper and Harry Johnson was the discussant, who spent a good half hour tearing it apart.

Hon. Mr. Martin: He also tore Senator Lamontagne apart.

Hon. Mr. Grosart: Senator Lamontagne tore him apart; I have seen him do it. Speaking of Option Two, one of the options put forward by the Secretary of State for External Affairs, he says:

> —deliberate closer integration with the United States, is what Canada should do in its own economic interests. Mitchell Sharp admits this, but then introduces a number of plausible but completely unwarranted propositions to the effect that a free-trade area must turn into a customs union and then into a political union, which would be unacceptable to Canadians. It is both surprising and appalling that the excellence of the members of the Canadian External Affairs Department—whose quality is admired by every other foreign affairs department I know—should be enlisted in implicit support of the travesty of the facts of the history of the European Free Trade Association (EFTA) offered in Mr. Sharp's paper.

● (2130)

Then he refers to another in the current objections that are sometimes put forward by Canadians to a continental policy. I am sure honourable senators are aware of what I refer to, and particularly when I refer to the objections that are raised. He says:

> The complaint about the "continental pull," from another point of view, represents the unwillingness of the archaic British élite of Canadian society to be dragged kicking and screaming into the modern world.

That is one viewpoint.

Honourable senators, it may then be asked, why do I raise this question, why do I place this emphasis on co-operation, on something other than what we have today? You may say that, of course, our diplomats, our officials, our ministers, are seeking co-operation. I am sure they are; but it seems obvious that it is not happening.

Only yesterday in the Toronto *Globe and Mail*, I read an account from Ross Munro, the *Globe and Mail* correspondent from Washington, referring to the appearance of the United States Treasury Secretary George Shultz before the Ways and Means Committee of the House of Representatives. Speaking of the areas of possible interdependence and co-operation, Mr. Shultz said: "We know there are large sources of energy in Canada; we would like to be the recipients of some of that." Ross Munro reports:

> Mr. Shultz then made a reference to Canada's desire to increase the size of its secondary manufacturing sector and the export of manufactured goods.
>
> "And they would like access to our markets," Mr. Shultz noted. "We have a lot with which we can work together."

Are we working together? That is the question I ask. Mr. Shultz thinks we are not. The report goes on:

> Noting that Europe and Japan had been somewhat responsive to U.S. demands for trade concessions, Mr. Shultz declared that "we have had really no response

from the Canadians. We haven't gotten anywhere with them at all."

I am not here to say that is true, but it is the attitude expressed by the United States Treasury Secretary, George Shultz, on this important matter.

Honourable senators, I would suggest that the lesson I learned in Washington was that the time has come for something better than the effort now being made on the Canadian side to improve our relations with our best customer and our best friend in the world. In expressing this in Washington, I concluded my remarks with a story that may bear repetition, a story sometimes called the shortest dialogue in the world. When Adam and Eve came out of the Garden of Eden, faced with the kind of unpredictable future that we may be faced with in a trade bloc war, Eve said to Adam, "Adam, do you love me?" He said, "Of course, who else?"

Hon. Mr. Davey: Honourable senators, may I ask Senator Grosart a question? Conceding readily that we have a great deal in common, and conceding the validity of much of his argument, would he not concede that the one voice that we have would perhaps be overwhelmingly the American voice, and how would he propose to meet that concern?

Hon. Mr. Grosart: Honourable senators, I could say to Senator Davey that this is probably the oldest problem in the world, probably the problem of any company and certainly the problem in a marriage. It is the problem of a football team or a hockey team. There are many voices and many inputs, but finally one person says, "This is the voice of our team." It is not necessarily the voice of the strongest or the voice of the loudest, it is the voice of compromise, of consensus, of the closest that the parties—two, three or four—can come to a consensus of their mutual best interest.

This is the very problem I am speaking of around the world; we have to face this thing ourselves in Canada. We have to ask whether our regional policy is good in the long run for our place in world trade. I cannot agree that it is impossible for the big fellow and the little fellow to get together and decide on certain things that they agree are in their mutual interest.

Hon. Mr. Davey: Honourable senators, presumably certain things are within the area of trade or in the area where we would continue to disagree internationally. Would there be one voice on all trade areas, as you see it, or would there continue to be areas of self-interest, where there would be lack of consensus on some points or on all points?

Hon. Mr. Grosart: Honourable senators, perhaps I did not make myself clear. I certainly should have said that we could reach agreement on certain things. Obviously we are not yet ready for a common market approach or a free trade area. Harry Johnson thinks we are, but the European Community had exactly this problem. It started with a common market in steel. It then went on to coal. Then it set up an economic union. Now they have a timetable to 1980 that carries them to a monetary union, and next to a political union.

In the monetary crisis six countries agreed and three differed. But this does not mean that on the majority of matters, vis-à-vis the outside world, they do not speak with one voice. Not at all. I was hoping to stress the fact that there are so many points that we have in common and we do not seem to be getting together on them.

On motion of Senator Lamontagne, debate adjourned.

CANADIAN NATIONAL RAILWAYS

DERAILMENTS—NUMBER, LOCATION, CAUSE AND COST—INQUIRY ANSWERED

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

1. How many derailments involving an expenditure of $50,000 or more occurred on the Canadian National Railway System during the 1970-71 and 1971-72 fiscal years?

2. What was the location and the cause of each such derailment, and what was the financial loss to the Canadian National Railways in each case?

Hon. Paul Martin: Answered.

1. In the fiscal year 1970-71 the number of train accidents on Canadian National remained about the same as in previous years. In 1971-72 the number increased to 42. However, in 1972 the ratio of train accidents per million ton miles that are reportable to the Canadian Transport Commission increased by .01 per cent based on an increase of over 9 billion gross ton miles in 1972 over 1971. The ratio of accidents in this category for 1972 was 1.89 per billion ton miles.

2. (*For text of answer see appendix "A", pp. 582-583.*)

CANADIAN BROADCASTING CORPORATION

PAYROLL CATEGORIES—INQUIRY ANSWERED

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

1. How many people are listed on the payroll of the Canadian Broadcasting Corporation in each of the following categories?—

Executive producer	Technical director
Producer	Studio director
Assistant producer	VTR operator
Director	Stagehands
Assistant director	Teleciné operator
Cameraman	Lighting director
Script writer	Boom mike operator
Set designer	Teleprompter operator
Writer	Engineer
Graphics	Announcer
Audio men	

2. What is the salary range for each of the above categories?

Hon. Paul Martin: Answered.

Category	No. of People	Salary Ranges
Executive producer	55	9,454-22,000
Producer	435	8,595-20,000
Assistant producer*		
Director*		
Assistant director*		
Cameraman (Film)	61	9,939-13,535
Script writer*		
Set designer*		
Writer	28	7,404-15,207
Graphics*		
Audio men*		
Technical director	15	12,605-19,180
Studio director*		
VTR operator*		
Stagehands	159	6,870- 8,495
Telecine operator*		
Lighting director*		
Boom mike operator*		
Teleprompter operator*		
Engineer (Prof.)	70	9,535-16,675
Announcer	256	8,072-15,207

*No such category

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(*See p. 580*)

CANADIAN NATIONAL RAILWAYS

DERAILMENTS INVOLVING EXPENDITURES OF $50,000 OR MORE FOR FISCAL YEAR 1970–71

Date	Mileage	Subdivision	Train Number	Cause	Estimated Damage Railway Property
					$
Atlantic Region					
May 28/70	389.8	Bishop Falls	204	Track failure	67,101
Jan. 16/71	25.51	Monk	Ex.E.2006	Burnt journal	257,846
Jan. 25/71	94.92	Monk	Ex.W.5039	Broken rail	58,439
St. Lawrence Region					
May 1/70	66.5	Kingston	306	Equipment failure	416,718
May 23/70	246.2	St. Maurice	422	Broken rail	88,101
July 10/70	104.5	Lac St. Jean	415	Track failure	106,849
Aug. 6/70	270.63	Kingston	392	Burnt journal	120,151
Oct. 9/70	77.0	Lac St. Jean	802	Spread track	120,735
Jan. 22/71	74.5	Kingston	312	Burnt journal	323,000
Feb. 10/71	33.3	Lac St. Jean	Ex.S.2213	Cause undetermined	247,310
Mar. 23/71	124.41	Lac St. Jean	427	Broken rail	97,057
Great Lakes Region					
July 21/70	26.5	Alderdale	810	Track washed out	142,000
Oct. 13/70	218.9	Newmarket	Ex.S.5014	Broken rail	171,572
Dec. 29/70	24.7	Beachburg	2	Broken axle	123,663
Jan. 17/71	183.2	Ruel	309	Burnt journal	244,296
Prairie Region					
July 25/70	101.1	Fort Frances	818	Oscillation	93,277
Oct. 7/70	22.0	Graham	1/920	Oscillation	134,045
Oct. 11/70	108.0	Margo	841	Switch damage—vandalism	67,056
Oct. 28/70	182.9	Kinghorn	Ex.W.4313	Track failure—washout	238,582
Nov. 25/70	6.3	Cowan	93	Broken rail	56,282
Dec. 23/70	113.0	Kashabowie	C–818	Broken wheel	50,335
Jan. 3/71	226.0	Rivers	302	Broken wheel	209,880
Jan. 14/71	24.5	Pine Falls	740	Broken rail	94,675
Mountain Region					
May 27/70	87.2	Nechako	858	Loose wheel	66,916
June 3/70	4.8	Clearwater	U–891	Broken rail	86,036
June 3/70	41.5	Skeena	720	Track failure	105,274
July 17/70	98.0	Edson	U–894	Train handling	65,504
July 26/70	51.3	Edson	320	Track failure	259,543
Aug. 16/70	2.7	Second	U–893	Track failure	284,598
Dec. 15/70	30.8	Yale	309	Rock slide	124,429
Feb. 9/71	102.5	Albreda	U–893	Broken rail	297,300
Feb. 15/71	118.8	Ashcroft	851	Rock slide	617,900
Atlantic Region					
May 27/71	37.3	Mont Joli	344	Cause undetermined	518,452
June 23/71	84.96	Napadogan	305	Track failure	54,964
July 10/71	104.9	Sydney	341	Track failure	62,666
Dec. 8/71	157.9	Monk	341	Spread track	110,800
Dec. 12/71	68.9	Springhill	Ex.E.2022	Track failure	629,060
Jan. 21/72	66.8	Sydney	409	Burnt journal	58,510
Jan. 25/72	51.2	Hopewell	934	Broken rail	161,522
Mar. 7/72	92.1	Monk	340	Excess speed	653,270
St. Lawrence Region					
Aug. 24/71	13.8	St. Maurice	422	Oscillation	63,301
Dec. 30/71	91.0	St. Maurice	479	Train handling	219,016
Jan. 2/71	112.0	Chapais	1/580	Broken journal	200,903
Jan. 7/71	75.6	Kingston	B/392	Burnt journal	179,688
Feb. 11/71	90.7	Kingston	390	Burnt journal	431,826
Mar. 1/71	98.6	Lac St. Jean	427	Improper loading	162,688
Mar. 2/71	33.2	Drummondville	20	Snow and ice	91,835
Mar. 5/71	43.15	Joliette	415	Cause undetermined	88,941
Mar. 25/71	117.3	Lac St. Jean	416	Cause undetermined	135,135

DERAILMENTS INVOLVING EXPENDITURES OF $50,000 OR MORE FOR FISCAL YEAR 1971-72

Date	Mileage	Subdivision	Train Number	Cause	Estimated Damage Railway Property
					$
Great Lakes Region					
Sep. 11/71	29.5	Bala	Ex.S.5041	Cause undetermined	103,000
Feb. 23/72	108.0	Ruel	Ex.E.4567	Broken rail	186,281
Prairie Region					
June 15/71	58.15	Kashabowie	C-818	Oscillation	50,851
July 28/71	116.15	Redditt	217	Train handling	253,542
Oct. 7/71	32.9	Qu'Appelle	489	Train handling	125,431
Oct. 15/71	56.9	Sprague	420	Oscillation	176,000
Nov. 20/71	77.0	Redditt	802	Broken rail	445,000
Nov. 28/71	44.9	Redditt	304	Broken rail	332,182
Jan. 5/72	164.0	Redditt	217	Cause undetermined	57,552
Mountain Region					
Apr. 29/71	111.6	Albreda	D-841	Broken axle	149,777
June 27/71	60.7	Coronado	Wk.Ex.1376	Broken rail	81,412
July 19/71	123.7	Clearwater	B-309	Excess speed	517,200
Aug. 21/71	77.78	Skeena	9	Rock slide	82,500
Oct. 3/71	45.4	Clearwater	Wk.Ex.5168	Broken rail	317,150
Nov. 2/71	89.5	Ashcroft	851	Train handling	177,200
Dec. 11/71	28.3	Yale	217	Track failure	104,800
Dec. 15/71	117.6	Oyen	315	Burnt journal	55,460
Dec. 16/71	43.5	Skeena	Wk.Ex.9072	Snow slide	62,400
Jan. 14/72	215.8	Edson	U-893	Equipment failure	151,324
Jan. 19/72	191.3	Edson	U-890	Broken rail	119,406
Jan. 26/72	69.7	Clearwater	U-897	Broken rail	119,000
Feb. 20/72	19.8	Clearwater	Wk.Ex.5186	Broken rail	502,000
Mar. 8/72	26.5	Yale	B-841	Train handling	170,900
Mar. 22/72	94.5	Clearwater	Wk.Ex.4823	Mud and snow slide	66,703
Mar. 29/72	49.9	Clearwater	1	Mud and snow slide	146,100

THE SENATE

Wednesday, May 16, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Press Communiqué dated May 8, 1973, issued following the Canada-U.S.A. meeting relating to negotiations on Pacific salmon problems.

FOREIGN INVESTMENT IN CANADA

COMMITTEE AUTHORIZED TO MAKE STUDY

Hon. Salter A. Hayden moved pursuant to notice:

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and consider the document entitled "Foreign Direct Investment in Canada," tabled in the Senate on Monday, 15th May, 1972, and the subject matter of any bill arising therefrom, in advance of such bill coming before the Senate, or any other 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, the purpose of this motion is to empower the Standing Senate Committee on Banking, Trade and Commerce to undertake a study of what has been called "Foreign Direct Investment in Canada," which was the subject matter of a report tabled in this chamber in May 1972. Arising from that, a bill was introduced in the House of Commons last year to implement the policy as it appeared in the report. That was Bill C-201, and it died on the Order Paper when Parliament was dissolved.

● (1410)

This year another bill to implement a foreign direct investment policy for Canada has reached the stage of second reading in the House of Commons. This new bill is an expanded form of Bill C-201. It would appear from information available that it is not likely this bill will go to committee before the first or second week of June, following which, of course, the bill will be reported back to the House for debate. So it occurred to me, since we are approaching the summer recess and we could come under pressure of so-called "summer recess closure" in the same way as we have had Easter recess closure and Christmas recess closure, that with respect to this very important question for the business people of Canada and for the economy of Canada, the Senate should take steps at as early a date as possible to study the framework of this bill in committee, particularly the area of expansion that has been introduced.

Last year Bill C-201 was confined to the takeover of existing businesses by foreign persons. The new bill has enlarged the area requiring review by the Foreign Investment Review Agency, which is provided for under the bill, before such investments by non-eligible persons can be made in Canadian businesses.

The great advantage of this study would be to enable us to acquire all available information in relation to the bill and to the government's policy as reflected in the bill. We could also gather, by way of briefs and oral evidence, the views of those members of the public who are concerned with this legislation, so that when the bill itself does come to us at least we will have a body of information to help us in our consideration of the bill.

You will notice that in this motion I do not ask for authority to make a report. There are two reasons for that. First, it may be that the bill will be in our hands before our committee study has been completed. Secondly, any report that we would make would be before the bill has reached us and therefore should, in the normal way, not be debatable at that stage. If this authorization is granted, then at least we will have a printed record of all the pros and cons reflecting the attitude of the public, and how far the bill proposes to go. We may have suggestions to make. I am now buoyed up by the idea that our suggestions are heeded. On the last occasion the Minister of Finance, the Honourable John Turner, was before our committee he acknowledged that nine and a half, I believe it was, top priority items that we recommended as a result of our study of the tax legislation were incorporated in Bill C-170, which was recently passed. Other recommendations made in committee were also incorporated in that bill, and the Honourable Mr. Turner referred to them. There are others that are now in the process of being incorporated as and when the parties concerned can agree and reach a consensus on the best form of codifying administrative practice, as these things have been done to the present time, and putting them in the form of regulations.

I rise now and move this motion with the renewed hope that there is an ear, or maybe a lot of ears, on the other side of Parliament that are now open to listen to, and perhaps act on, suggestions that we make. Of course, inherent in that position may well be the authority that we have if our proposals are not accepted, which may govern our decisions in relation to the bill.

All in all, I think it is a good thing that, at as early a date as possible, we should study this bill. Speaking only for myself, I would feel very concerned if I found that this bill, dealing with foreign investment policy, came to us at a time very close to the summer recess, and was presented to us so that the other place took a holiday while we were

to be left here to swelter in July weather in Ottawa. I know my decision, for what it is worth, would be that if there is to be any sweltering in July weather in Ottawa, the other place should swelter as well as we do, because they will be responsible for the delay in getting the bill over to us. I want the Senate to be as prepared as it possibly can be, and as fully informed as it can be, so that it can more concisely and more directly give consideration to the bill as and when it comes to us.

Hon. Jacques Flynn: Honourable senators, I support the motion. It has in the past proved to be a good idea for the Senate to look into the subject matter of bills coming to us, especially those of the type referred to indirectly in this motion. I have clearly stated our position before: we are doing this to be as prepared as we can be. That does not mean we will consider ourselves prepared to pass the bill in a matter of hours, or even of a few days, if and when it reaches us. We will, in fact, be studying the subject matter of the bill as though there were no bill coming to us.

Our experience with the income tax reform bill prompts me to say that I do not want our agreement to pass this motion to be interpreted as meaning that we will have done all we should, or all we could, with a certain bill, when we have accepted a motion of this kind and the committee proceeds to study the subject matter of what might come to us later as a bill.

With this reservation, which I emphasize, I will support the motion. Some members opposite—I am not speaking of the Chairman of the Standing Senate Committee on Banking, Trade and Commerce—have repeatedly insisted that it is unfair for anyone to say the income tax reform bill was rushed through the Senate. Well, it certainly was rushed through the Senate.

It seems that we are trying to devise a new way of exercising our duty of giving sober second thought to legislation. We will study the subject-matter of a bill and then accept it when it comes to us, with some recommendations. The hope is that subsequently the government will amend it according to the expression of our wishes. In this way we can avoid the difficult task of amending a bill and sending it back to the other house, thus placing on the government the burden of bringing in an amending bill in the next session. That is a way of dealing with our duties, but I do not think it is constitutionally the right way. Subject to these observations, I believe we would be doing something useful in proceeding as is suggested in the motion. But I reserve all my rights and, I am quite sure, all rights of all honourable senators on this side and possibly all around the house, to deal with the bill as we should deal with it, if and when it reaches us.

• (1420)

Hon. Mr. Hayden: Honourable senators, I can tell my honourable friend that that was not my intention in moving this motion.

Hon. Mr. Flynn: Not on your part.

Hon. Mr. Hayden: My purpose in saying to the Senate that I would not expect that if we made a report before the bill reached us there would be any debate on that report, is that it would be unfair, exactly for the reasons Senator Flynn has stated. It would be unfair to ask the Senate to commit itself to a report on a study of a policy matter that is implemented in proposed legislation and to commit themselves before the bill is physically before the Senate. There is no thought of anything of the kind. I put it as a matter of record, so if my friend finds a creeping indication of our going in that direction, I will not be a party to it.

Hon. Mr. Flynn: I thought I made it clear I was not referring to you.

Hon. Allister Grosart: Honourable senators, I support the position taken by the Leader of the Opposition, particularly as one who was involved in that dreadful pantomime here, which Senator Hayden now has so aptly described as "the Christmas closure." I would remind honourable senators that there were many denials from that side that it was a closure, but from our point of view we feel it was.

I would also remind honourable senators that the main argument used by my friends opposite for the precipitate passage of the bill at that time—I am referring to the so-called income tax reform bill—was that the bill had been so thoroughly investigated by the Standing Senate Committee on Banking, Trade and Commerce. I hope that what has been said today by Senator Hayden and by the Leader of the Opposition will mean that we will not have that argument advanced when we come to what Senator Hayden has again called "the summer closure."

I would also point out that at that time we were put in the ridiculous position, as a Senate, of having these major recommendations, suggested amendments which Senator Hayden has referred to—the amendments which were subsequently incorporated into a new bill—dealt with as they were.

I would hope that we would not have a repetition of this situation where the Committee on Banking, Trade and Commerce, in the absence of its chairman—I might say that in fairness to Senator Hayden—refused to pass on those various amendments to the Senate, to recommend the amendments the committee had agreed on, to the Senate. That was the crux of the argument we made at that time, that it was ridiculous for the committee, in the absence of the chairman, to reject in effect, even if temporarily, those amendments which had been made by the committee under Senator Hayden. I point out that a great deal of time was taken by that committee, excellent work was done—perhaps the finest work that has been done in this Parliament in some years—and yet when the crux came, those very amendments were rejected by the committee and not made to the Senate.

I hope that will not happen again, and I rise at this time to say that, if it does, I for one will not give consent to any expediting changes in the rules.

I would like to ask Senator Hayden to explain whether or not I have misunderstood him. He said, as I understood it, that in regard to the motion before us, he on behalf of the committee was not asking for authority to report. I trust that does not mean the committee assumes that it might undertake this study and decide not to report. I remind him that Rule 71 says that a committee empowered to inquire shall also report. Our rule says that a committee shall be empowered to inquire and to report. I may have

misunderstood him. I hope it was not intended to suggest that this motion would make it possible for the committee to decide not to report to the Senate.

Hon. Mr. Hayden: Honourable senators, in answering my friend, I would say that all I was pointing out was that if before we had concluded our hearings the bill physically came to the Senate, then the committee should adjourn until the bill was referred by the Senate, after second reading, to committee. At that stage, while the bill was in the Senate, we should not report on our study before the bill had reached us. That is all I said. If I am chairman at a time when the committee has concluded its deliberations before the bill reaches the Senate, I would certainly propose that we do report to the Senate.

Hon. David A. Croll: Honourable senators, I rise not to oppose the motion but to say that it is a useful undertaking which deals with a sensitive aspect of our economic well-being. Yet I see in this motion the possibility of conflict of interest. I had intended to make rather more extended remarks in that connection, but for reasons which I will relate I decided at this time to reserve those remarks for a future occasion which I anticipate will be at hand.

Many senators, I am sure, noted from the press reports and from *Hansard* of the House of Commons of Monday, May 14, that the question of conflict of interest was raised in that house by the Leader of the Opposition and by the Leader of the New Democratic Party. The Prime Minister in replying said that the government was planning legislation covering conflict of interest on the part of ministers of the Crown, members of Parliament and senators. Moreover, guidelines were also to be made public.

Hon. Mr. Flynn: May I ask Senator Croll if that included senators?

Hon. Mr. Croll: I said, "ministers of the Crown, members of Parliament and senators," yes.

Hon. Mr. Flynn: You did not have to include senators, because they are members of Parliament.

Hon. Mr. Croll: I used the words attributed to the Prime Minister because there was some question in the House of Commons. I agree with you.

At any rate, I expect to have far more to say on this subject when that legislation and those guidelines reach the Senate, but I hope that it will not become necessary for me to speak on the subject of conflict of interest before the proposed legislation and guidelines do come to the Senate. With the same reservations that are proposed by the Leader of the Opposition, I support the motion.

Hon. Paul Martin: Honourable senators, I want to say briefly that I fully agree with the interpretation which the Leader of the Opposition put on the procedure proposed by Senator Hayden. There is certainly no commitment here, nor is any commitment sought of any group of senators or any senator to support the bill in the form in which, at some stage, it will come to us from the other place.

Senator Hayden has given us reasons why, in the light of the parliamentary situation, it is desirable for us to be informed as to the possible reasons for following the precedent set by the study that was made of the white paper on taxation and the tax bill itself. I am not going to quarrel with the Leader of the Opposition. He and I have discussed this matter on other occasions. I am well aware of the point of view that he and others take. I respect but disagree with that point of view. However, I believe that there is some merit in the observation of the Leader of the Opposition that what this procedure may be doing, and what was done in the case of the study made on the white paper on taxation and the tax bill itself, is to cause a slow evolution for us of another way of performing, utlimately, our legislative function.

When Senator Manning was talking about reform of the Senate some weeks ago, I thought that this was the emphasis he was going to make, but in his discussion he eliminated completely the legislative function. I simply cannot say when we are going to get the so-called takeover bill; it would seem that these days the Leader of the Opposition is in a better position than I am to tell what is likely to be the progress in the other place.

• (1430)

Hon. Mr. Flynn: Well, if they continue to debate urgent matters such as the abolition of the death penalty, it will not reach us very soon.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FIFTEENTH MEETING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Aird calling the attention of the Senate to the Fifteenth Meeting of the Canada-United States Interparliamentary Group, held at Washington, D.C., and White Sulphur Springs, West Virginia, from 4th to 8th April, 1973.

[*Translation*]

Hon. Maurice Lamontagne: Honourable senators, it is not my intention to describe the detailed activities of our delegation to Washington, or even the Speaker's day to day activities, except to say that we were very proud to have her as co-chairman of our group, and that she represented our country with her usual intelligence, perspicacity and cordiality. Nor is it my intention to talk about our stay in Greenbriar, except to recall that this marvelous location in West Virginia was discovered by French Canadians in the eighteenth century, and called Ronceverte, whence its present name of Greenbriar.

The first time I took part in the activities of the Canada-United States Interparliamentary Group delegation was at the meeting held in Washington . . .

[*English*]

Hon. Mr. Croll: I am sorry but the translation just is not coming through on the system.

Hon. Mr. Walker: But he is awfully good in French.

Hon. Mr. Lamontagne: It will only be another minute or two anyway.

[*Translation*]

As I was saying, the first time I took part in the activities of the Canada-United States Interparliamentary Group was at the meeting in Washington last April. I must confess that I was rather disappointed that speeches on important and complex subjects were limited to two or three minutes. That being the case, we could but touch on a number of problems, rather than deal with fewer more thoroughly and with a plan of discussion which would have made real dialogue possible. My frustration is perhaps inevitable, and may probably be attributed to my lack of experience, at least in this field.

I am aware that the Canadian delegation met, when it got back, to enjoy the cordial hospitality of our Speaker, and on that occasion we made several suggestions that would, in my opinion, greatly increase the value of these meetings, and improve their efficiency. I hope that our criticisms and recommendations will help improve preparations for future meetings.

Indeed, I consider that these parliamentary meetings between the two countries are absolutely necessary, for government level discussions are not enough, particularly in view of the American political system's inherent separation of powers, which, as we all know, is more apparent now than ever.

[*English*]

I was asked at the meeting in Washington to speak for two minutes on trade relations between the two countries. This probably explains the frustration I felt on that occasion. Some honourable senators would probably like me to restrict my remarks today to what I said during those two minutes in Washington. I do not intend, however, to satisfy them. I have decided to relieve my frustation and develop some of the observations on this very important topic that I had presented in a speech at Johns Hopkins University just a few days before the Washington meeting. I would like to analyze this important trade problem within a Canadian framework, both historical and current.

On the economic front, the developed world is now reaching, as we all know, a crucial point. The creation of the Common Market in Western Europe and its recent extension have given rise to a new formidable economic bloc. The Japanese miracle may be a mystery to some of us, but its existence cannot be denied. In spite of increasing pains, the United States remains the most powerful nation in the world. Those important geographical areas share a common feature. They have a tremendous capacity to innovate and to manufacture, but they experience growing deficiencies in natural resources and raw materials required to sustain the manufacturing sector of their economy. For instance, various scarcities are already reaching critical proportions in the United States. An American scientific group drawn from the National Research Council issued a report recently warning that the United States is already heavily dependent upon foreign raw materials which will be increasingly depleted or withheld as underdeveloped nations industrialize and compete for their use. The report stated, and I quote:

> One can forsee, within decades, ... the erosion of United States mining, smelting, refining and mineral-based industries, growing economic colonialism, international frictions, a steadily worsening balance of trade, and a tarnished global image of the nation.

It is in this broad context that Canada should now be seeking to develop a new industrial strategy in an attempt to remain economically viable.

With the emergence of what I call our second major technological revolution in the early 1900s we suddenly discovered in Canada that we had abundant resources needed by the new technologies, such as hydraulic sites, oil and natural gas, non-ferrous species metals and minerals, as well as forest species used in the production of paper. As the new revolution gained momentum, Canadians adopted a passive strategy, based on imported technology and capital, and responding mainly to the growing external demand for their natural resources and primary products.

The Canadian Government, especially after World War II, became the champion of freer and multilateral international trade. But to obtain easier access to world markets for resource-based primary industries, tariff protection enjoyed previously by secondary manufacturing was lowered gradually.

This was a period of great change for the Canadian economy. Up to the early 1900s, economic development in Canada and the United States had followed more or less parallel lines, although our growth was much slower and lagged considerably behind.

● (1440)

Great Britain was our major export market and our main source of foreign capital. After 1900 the Canadian economy reached the stage of take-off and its rate of growth became very high as a result of the wheat boom and the increasingly favourable impact of the second technological revolution. With the diffusion of this new technology, the old parallelism which had previously categorized the development of the Canadian and American economies was gradually replaced by closer integration. During the 1920s and later, as the new trends became more predominant, the complementary economic relations between Canadian regions weakened, but a similar close relationship rapidly developed between Canada and the United States. As early as 1900, the United States was our main supply of imported goods and services. After World War I the American economy also became our major export market and our main source of foreign capital. While imports of British capital had been mainly in the form of bonds, American investments in Canada were predominantly in the form of equity capital. American subsidiaries were established in the secondary manufacturing sector, to take advantage of the Canadian tariff and Commonwealth preferences, and thus became smaller replicas of their parent companies. Other subsidiaries were set up in resource industries to meet the growing needs of the American market for raw materials and primary products.

The passive strategy adopted under the auspices of the second technological revolution brought growing frustrations among Canadian elites, as they realized that their country was becoming a mere economic satellite of the

United States. Most Canadians, however, supported it, because it provided an easy way to rapid economic growth. Indeed, Canada was one of the few countries in the world to reach affluence without having developed a national innovative capability. There is a growing feeling, however, that this happy and easy state of affairs cannot go on forever.

In order to arrive at a clearer idea of future long-term trends it is useful to look at the main sectors of the Canadian economy. During the last few decades the service or tertiary sector has experienced a spectacular expansion as a contributor to employment. It is commonly said, for instance, that our economy has become post-industrial. But most services mainly respond to the growth of the primary and secondary sectors. Thus, they cannot play the role of prime movers within the framework of a long-term growth strategy, although their continuing expansion can be expected if other dynamic factors are at work to sustain it.

In recent years the external and internal climate for the secondary manufacturing sector of the Canadian economy has worsened steadily. The loss of Commonwealth preferences and Britain's entry into the European Common Market will have a negative impact on Canadian sales of manufactured products abroad. Canada may soon be one of the few industrialized countries without an easy access to a market of more than 100 million people. Similarly, the emergence of protectionism in the United States could seriously restrict the export of Canadian manufactured products to the important American market. Furthermore, many subsidiaries established in Canada, as replicas of their U.S. parent companies, are losing their original raison d'être and American-based multinational corporations are now more interested in expanding their operations in other countries, mainly in Europe. The rate of U.S. investment in this sector of the Canadian economy is now decreasing significantly.

Signs of domestic weaknesses are also appearing: the erosion of tariff protection, rising costs, industrial fragmentation, reliance on imported innovations, the widespread mythology that manufacturing industries can develop only if they can be supported on a domestic base, the fact that our most economic hydraulic sites are now exploited and the obsolescence of a growing number of Canadian plants, for instance in the textile and pulp and paper industries. These and other internal factors do not augur well for the future.

The outlook for Canadian resource industries is quite different, at least in so far as demand is concerned. Many experts agree that the world in the 1980s will be moving rapidly toward a state of growing scarcities of both renewable and non-renewable resources. Most industrialized countries have already reached that stage. Since the early 1800s mankind has lived in a period aptly described as the "exponential era," which will inevitably lead sooner or later to the realization that our planet's resources are finite. The validity of these observations is becoming increasingly obvious to us. I do not intend to substantiate it here. On the other hand, Canadians have been told for decades, especially by politicians, that their country is endowed with abundant natural resources, yet in most cases we have a fairly small share of the known world resources. Moreover, since 1900 we have depleted our reserves at a very high rate.

We began to invade the Canadian Shield at the beginning of the present century and the assault has since assumed tremendous proportions. Today the potential of that vast area is well known and we realize that it is rapidly decreasing. As I said before, most of our best hydraulic sites, which have been a powerful factor in the location of industry, are now being exploited. Oil and natural gas were discovered in the late 1940s in Western Canada, but it is more difficult today to find new reserves in that area. Heavy crude oil in Alberta and the Athabasca tar sands may represent a new potential for the future, but according to Mr. Ronald Ritchie, the Vice-President of Imperial Oil, they will require substantial technological and investment efforts.

Our fisheries are being threatened; our forest resources are more remote and their exploitation is becoming more costly. The Canadian agriculture frontier has been close for many years. During the next three decades the number of acres devoted to farming will decline substantially. Professor Norman Pearson has estimated that by the year 2000 the urbanization movement will have reclaimed a minimum of 13 million and a maximum of 26 million acres from agriculture. As a last resort, preparations are now being made to launch the assault on the Canadian north.

Canadians should not, of course, be overly pessimistic with regard to the potential of their natural resources. They ought, however, to become more aware of their limits, as the requirements of industrialized countries will continue to increase exponentially and as growing scarcities will develop in the Western World and in Japan. For instance, in 1971 Canada had only 1.4 per cent of the proved oil reserves in the world, but Canadian crude oil production was 2.8 per cent of the world total.

The danger faced by Canada is clear, if not imminent. If the gradual weakening of our secondary manufacturing sector is not corrected and if we continue to rely on our resource industries as the prime mover to sustain the national economy and to provide more jobs, directly and indirectly, our nation will eventually lose its economic viability. To avoid such a tragedy a more dynamic and global industrial strategy is urgently needed. It is relatively easy to define the general orientation that this new national policy should take. Its primary goal should be to maximize the flow of innovations from Canadian industry and it should rest mainly on an imaginative and creative technological strategy, designed to strengthen the secondary manufacturing sector. Sir Alec Cairncross and others have pointed out that "technological change has been the mainspring of economic and social progress over the past two centuries and ... it remains the chief source of increasing affluence."

● (1450)

We urgently need a new national strategy, which should include a major industrial conversion, to reduce fragmentation and the problem of scale, and to improve our innovative performance.

I wish to point out, however, that even if we succeed in launching such a new national policy, which is absolutely essential to make Canadian manufacturing industries more innovative, this major and complicated operation

will not be sufficient to ensure our long-term economic viability. It will not be enough to make our manufacturing sector more competitive at home and abroad, and resource industries more conscious of Canadian long-term interests and requirements. To succeed, this new national policy will also require a complete reversal of our traditional trade strategy.

In the past our trade negotiations have neglected our manufacturing industries in order to obtain easier outlets for our resources. In the future, the great shortage abroad of many important natural resources will give Canada greater bargaining leverage for insisting on further processing at home and easier access abroad for manufactured products. Our trade policy should recognize these new trends and thus complement the contribution of a new technological and industrial strategy.

It would be naïve to believe that the new conditions which could guarantee Canada's long-term economic viability will be easily met. For instance, the American government appears eager to secure greater access to our resources and, at the same time, to give to U.S. manufacturing industries more protection at home and more incentives to sell abroad. These goals of U.S. policy run contrary to what Canada urgently needs to survive in the long-term future.

Hon. Senators: Hear, hear.

Hon. Mr. Lamontagne: Thus, probably for the first time in history, the trade strategies of the two countries could come in direct clash.

Disagreement may even arise on how negotiations should be conducted. The Americans, until recently, seemed to prefer to engage in discussions, on a piecemeal basis, of specific problems as they arose, such as the auto pact, the defence-sharing arrangement, the energy crisis, and water requirements. It would be tragic for Canada, in my view, to accept such a piecemeal approach. We cannot afford, for instance, to discuss energy matters in isolation, because the concessions that we might be prepared to make in this area would have to correspond to compensations offered by the Americans in the sector of manufactured products. Under such conditions, only a package deal can make sense from a Canadian point of view. Once agreement has been reached on a broad framework and new ground rules, then, of course, we can proceed with negotiations on specific issues.

Basically, the United States has growing requirements for Canadian resources, and Canada needs easier access to the American market for manufactured products. Both countries must realize that they cannot eat their cake and have it too. What is fundamentally wrong with the present thinking of some American decision-makers is the failure to recognize the special relationship that should exist between the two countries, and the insistence to apply to Canada discriminatory measures designed to solve the U.S. balance of payments problem.

There are growing feelings in Canada that we have very little to do with the real causes of the U.S. dollar problem, and that our manufacturing industries should not be penalized by corrective measures taken by the American government to solve its balance of payments difficulties. As I pointed out last evening, when Senator Grosart was speaking, a new set of figures, published jointly by the two countries just a few weeks ago, shows that in 1970 the United States had a deficit of only $100 million on current accounts with Canada, out of a total volume of transactions for that year between the two countries evaluated at more than $27 billion.

In spite of this situation, we are under the impression that new American policies are designed to treat Canada like other countries where finished products are concerned, but that they rest on the expectation that special deals should be arranged when Canadian resources are involved.

The Canadian situation becomes even more intolerable when we realize that most provincial governments get relatively small revenues from the exploitation of their natural resources, that Canadians find it difficult, if not impossible, to invest in many of the companies operating in their country but controlled by American interests, that those foreign-owned firms are often in a privileged situation when they want to borrow on the Canadian financial market, that they must conform to U.S. anti-trust legislation, and that their operations, including their R & D programs and export policies, are determined by their parent companies without due consideration of Canadian interests. U.S. policies and attitudes are not responsible, of course, for all these grievances, but Canadians often hesitate to take proper action of their own because they fear American retaliation.

In seeking to develop a new special relationship with the United States, Canadians should not be asking for charity but merely for a fair deal. We should be prepared to sustain American long-term economic viability by sharing some of our resources under reasonable conditions, but the United States should also agree to do something for us. It should provide special access to its market for our manufactured products, leaving us free to proceed with our own major industrial conversion operation. In my view this is for us a matter of survival.

We appreciate that some readjustments will have to be made within the American economy and in its relations with the rest of the world. But in the years ahead, Canada will also have to face a most serious challenge. We must learn to assume responsibility for our own destiny, to become innovative in order to strengthen our manufacturing industries, to use our resources more rationally, and thus to maintain a more balanced, stable and independent economy.

This may be a hard choice for us to make in the short term, because it will require a radical change in Canadian traditions and attitudes, a major industrial conversion which may leave temporary but significant adverse side effects, and deep readjustments in the orientation and role of many private and public institutions.

It is not even sure that Canadians and their leaders can put aside their short-term interests, their ethnic and regional differences, their favourite ideologies, their present affluence and security, and develop the will to launch this new collective venture successfully. So we too have our serious economic problems.

In a speech delivered in Toronto on March 19, the new special adviser to President Nixon, Mr. John Connally, said:

> The world is changing—

Apparently he has just discovered that.

> The world is changing and we are not going back to the ground rules of the post-war period.

He added:

> My one great fear is that too many political leaders in this complex society will succumb to the human instinct to maintain the status quo.

● (1500)

Mr. Connally also suggested that Canada-U.S. trade differences should be settled soon and within a new system of rules.

I fully subscribe to these views, although I would probably disagree with Mr. Connally's new system of rules. In a rapidly changing world, Canada has reached the crossroads. We cannot maintain a passive attitude toward emerging world trends, let the secondary manufacturing sector of our economy face long-term stagnation, and rely mainly on the rapid depletion of our resources to sustain our growth. We cannot accept the ground rules established in the immediate post-war period, because they would mean for us the maintaining of a most undesirable status quo and eventual disaster. We must try to settle our trade differences with the United States as quickly as possible within the framework of a new system of rules, but this system must be comprehensive, not piecemeal, and it must be compatible with a new Canadian industrial stragegy.

The development of a special partnership between the two countries represents, in my view, the most sensible choice for both. It would imply, most likely, that Canadians would have to restrict their exports of resources to other countries, in order to meet American requirements more adequately without depleting our own reserves too rapidly. It would also mean that the United States would face growing trade deficits with Canada, especially if it is to provide, as it should, easier access for Canadian manufactured products. A growing number of Canadians would like to shift the nature of our economic closeness with the United States by putting less emphasis on investment and more on trade involving secondary manufacturing in Canada.

Growing U.S. trade deficits with Canada need not create serious difficulties for the American balance of payments. They would be largely compensated by surpluses in the services sector of current accounts. Moreover, larger Canadian reserves of American dollars could be used to increase Canadian ownership of U.S. subsidiaries and to repatriate American investments made in Canada. This would involve the gradual reversal of past trends when, for at least eight decades, Canada was compensating for its substantial current account deficits with the United States by showing a surplus with other countries and by importing American capital. Under the new conditions, U.S. trade deficits could be met, to a substantial extent, by selling American assets held in Canada. After all, this is precisely what the American did many years ago when they had the opportunity to buy British assets held in the United States.

Emerging world trends should be accompanied by a major turning point in Canadian-American economic relations. The next decades will create some difficulties between our two countries and those difficulties will not be solved, at least as far as Canada is concerned, by the creation of a free trade area. But the future also offers new opportunities, should we succeed in developing a mutually advantageous special relationship and a new partnership based on our respective national needs and aspirations.

Some people may identify my approach with so-called continentalism. If it is, it certainly represents a new brand of continentalism, a brand not based on the traditional concept of a free trade area, or a customs union, but resting on a realistic recognition of the respective long-term requirements of the two countries.

Before closing, I should like to raise two final questions, the first of which is: Is it practical to expect that the Government of the United States will be able to develop, within the context of existing trade agreements, a new partnership with Canada along the lines that I have suggested? My answer to that question is in the affirmative. The new trade legislation which is now before Congress, and which will most likely be adopted in spite of the current situation in Washington, will give to the President wide, arbitrary powers to take discriminatory measures and deal with special trade problems arising with individual countries or trade blocs. This proposed legislation is potentially dangerous because it could be used to restrict exports from certain countries. But we as Canadians should not forget that it could also be used to grant special advantages on the U.S. market to countries such as Canada, providing such special treatment is to the general advantage of the United States. The Government of Canada should take a careful look at this possible application of the trade bill, and try very hard to use it to negotiate a new package deal.

The second question I pose is: Will the Government of the United States accept to negotiate on such a broad basis involving, on its part, a special deal on Canadian manufactured products and, on our part, a special arrangement on resources and primary products? Until recently, as I have said before, my answer to this question would have been in the negative. However, a statement made last week by Mr. George Shultz, Treasury Secretary and Chairman of the new Council on Economic Policy, may indicate an important change in this respect as far as the American position is concerned.

Last evening Senator Grosart quoted an article published in the *Globe and Mail* on May 10 which reproduced part of Mr. Shultz's declaration before the House Ways and Means Committee. I, too, would like to refer to that article, but I will be emphasizing a different point from the one Senator Grosart was trying to make. The article starts out:

> U.S. Treasury Secretary George Shultz yesterday explicitly linked the U.S. need for Canadian energy to Canada's need to export manufactured goods to the United States.
>
> Even though Mr. Shultz did not dwell on the linkage, his comments were a significant indication that the Nixon Administration is moving toward a new,

long-term approach to economic relations with Canada.

The article quotes Mr. Shultz as saying:

> We know there are large sources of energy in Canada. We would like to be the recipients of some of that.

The article continues:

> Mr. Shultz then made a reference to Canada's desire to increase the size of its secondary manufacturing sector and the export of manufactured goods.

As I have indicated, this statement represents, in my view, a major shift in the position of the U.S. Administration, and it reflects the kind of global and balanced approach which I advocated at Johns Hopkins University on March 31.

Another important indication that Washington is taking a serious look at emerging trends is the speech made in April by Dr. Henry Kissinger in which he said:

> The Atlantic nations must find a solution for the management of their diversity, to serve the common objectives which underlie their unity. We can no longer afford to pursue national or regional self-interest without a unifying framework. We cannot hold together if each country or region asserts its autonomy whenever it is to its benefit and invokes unity to curtail the independence of others.

These beautiful words, which were addressed mainly to Europe, represent a realistic message of compromise. We should remind the Americans that it applies equally well to the United States when it considers its economic relations with Canada. Some extremist Canadians should also take good note of that message.

● (1510)

Senator Grosart said in Washington that when external trade is involved this issue is vital to Canada. Given emerging world trends, we cannot go at it alone, neither can we expect special concessions from the European community, especially with respect to manufactured products. In this context we should continue, of course, to support multilateral trade as much as we can.

Here I would agree with Senator Grosart that we have large common interests with the United States, and we should try to speak with a common voice. However, we should be realistic enough to recognize that this broad multilateral approach has definite limitations, especially so far as we are concerned, and it must be complemented by developing a new mutually advantageous partnership with the United States.

In this last respect we cannot avoid speaking with two voices, representing our diverging interests. Let us at least hope that in these special negotiations the two countries will be on the same wave length. The new climate in Washington seems to be developing in that direction. Let us seize this opportunity, which has never been presented to us before.

Hon. L. P. Beaubien: Honourable senators, in speaking briefly on this subject I do not want to appear to be in any way contradicting anything Senator Lamontagne has said. I want to say one or two words about secondary and primary industries. In discussing these matters, a lot of people seem to say that to do better in manufacturing we should do less well in the extractive industries. Nothing could make less sense than that. If there were a shortage of labour, and a lot of jobs going begging—

Hon. Mr. Lamontagne: I hope the honourable senator is not trying to interpret my speech at this stage, because that is not what I said.

Hon. Mr. Beaubien: I am not trying to interpret it. I began by saying I want to say a few words about primary and secondary industries, but not in the context of your remarks. I do not want to contradict anything you said. I think that in the extractive industries we are the ablest people in the world. We are providing a lot of large mining areas with the highest per capita income in all of Canada. These activities do not in any way detract from our secondary industries. On the contrary, they provide for our manufacturers a very big and lucrative market.

The trouble with our secondary industries, to my mind, is high taxation. We have an 11 per cent federal sales tax; in Quebec there is an 8 per cent provincial sales tax. That makes a total tax of almost 20 per cent. Certainly in the United States there are some state taxes, but they are all deductible from the federal taxes. In Canada it can be said that there are added taxes. These make our costs higher than they are in the United States, and we have a smaller market. That is where we should be trying to help to make ourselves competitive. Let us reduce the taxes. If an article costs $100 to produce, and you add $11 federal tax and $9 provincial tax before you add on your profit, you can see what a big price the poor consumer has to pay. That is over and above a 50 per cent corporation tax. The manufacturing industry in this country is taxed very much higher than it is in the United States.

Despite that handicap, we are by far the ablest distillers in the world. Seagrams is by far the biggest distilling company in the world; in the last few years, Hiram Walker's has been the most successful, standing about fourth in the world. I do not think anybody can touch the Province of Quebec in electric power transmission. Our four steel mills can hold their own with any in the United States; they are tremendously efficient. Our pulp and paper industry has had some trouble in the last few years, but it was producing 80 per cent of the newsprint used in the United States. Our telecommunication systems have been extremely good. In the nuclear field we have had problems with our heavy water programs, nevertheless we are holding our own as one of the leaders in the world. The two railways in North America still holding their heads above water are Canadian.

If we look at the whole picture, there is an awful lot we can say for our performance since the war. If only we could reduce our taxes and encourage the industries we want to encourage, we would do very well.

Hon. Mr. Croll: The honourable senator talks about reducing taxes. I am in favour of that. However, is the honourable senator aware that the taxes in this country are lower than they are in Britain, Germany, France, the United States, or any other similar country?

Hon. Mr. Beaubien: In Germany the corporation tax is 51 per cent, just about what ours is. However, on the amount that is earmarked to be paid in dividends, taxation is 15 per cent in Germany. If a corporation makes

$1 million and has to keep $200,000, say, in the kitty after it has paid its taxes and dividends, it can pay almost $600,000 in dividends, leaving $400,000, of which half goes to the government, and it can keep the other half. In Canada, out of $1 million earned, a corporation has to give the government $500,000, and if it keeps $200,000 the shareholders get $300,000, instead of $600,000. That is the comparison with the German taxation system.

Hon. Mr. Grosart: Might I ask Senator Lamontagne a question arising out of his very thorough-going analysis of Canadian-American relations? The question refers to the quotation he gave us from Secretary of the Treasury Shultz's recent very interesting, and perhaps revolutionary, statement. Does Senator Lamontagne think the indication in that statement, of the readiness of the United States to engage now in a package-deal approach to our mutual problems, should engender a response in similar terms from Canada, rather than what appears to be the present insistence at our ministerial level on dealing with the problems one by one, and refusing, as the minister responsible said quite recently, to have anything to do with the concept of a package deal? Is Senator Lamontagne in favour of a package-deal response to Secretary of the Treasury Shultz's statement?

Hon. Mr. Lamontagne: I certainly am in favour, as I said quite clearly, of discussing a package deal first, which would not prevent us from going from one specific area to another once the new ground rules have been agreed upon.

I am not aware, because I have not seen it, of the recent speech made in the other place by the Minister of Industry, Trade and Commerce. Up to recently he was hesitating to put that forward again as a package deal, because he was under the impression that the Americans did not want to deal any more with Canada on that basis. I hope that when he looks at the recent statement made by Mr. Shultz he will see that the American views can change, too.

Hon. Mr. Martin: May I ask Senator Lamontagne a question—and this would also apply to Senator Grosart, who raised the matter last evening? Does Senator Lamontagne not really believe, on reading what Mr. Shultz has said, that he is reading more into the statement than is warranted? There is no clear indication by Mr. Shultz that they were prepared to deal with our current trade and economic problems on the basis of a package deal. Mr. Shultz, as I read his statement, simply suggested that that was a consideration. Assuming it was a consideration, and assuming that they were not prepared to deal with it as a package deal, will Senator Lamontagne explain how, having agreed on that, one could begin to negotiate bilaterally on specific items—the United States-Canada auto pact first, the tourist matter second, and so on?

Hon. Mr. Lamontagne: I hope that the Leader of the Government does not expect me to start negotiations this afternoon on behalf of the government and the Minister of Industry, Trade and Commerce. It seems to me that this is the first time that an American official has mentioned that the United States is prepared to consider, not the traditional package deal but a package deal which would involve an arrangement as between our resources, or certain of our resources, and our manufactured products. Unless I am wrong, this is the first time that this has been mentioned by such a high-up American official. This is a very new thing, to hear them make such statements on the other side of the border, and this is the kind of declaration that should be of great interest to Canadians.

Hon. Mr. Martin: It was Mr. Peterson, I think, who said that any such statement of any proposed package deal, as interpreted by Senator Lamontagne, was not to be interpreted as meaning that the United States would deal with the U.S.-Canada auto pact on any basis other than that of direct bilateral negotiation, that they were not willing to bargain with regard to it in respect of any other matter, that they would deal with that issue and that issue alone.

Hon. Mr. Lamontagne: This statement was made some time ago, and it may not represent any more the new official position of the American government. Things change there too, and quite rightly, these days. It seemed to me that we should follow your advice and look at Mr. Shultz's recent statement very closely, to see if it contains the interpretation that I put on his declaration this afternoon.

Once we have agreed on broad ground rules, we can then proceed to discuss the auto pact. But we will be reasonably sure that if we have reached a general agreement including manufactured products, the auto pact can be safely renegotiated, because it will be included in the ground rules which will have been agreed upon in the first place.

Hon. Mr. Croll: Honourable senators, I am in an awkward position, as I find that I have to agree with my leader. I think his interpretation is right. I have been following what has been going on. I have read Mr. Gillespie's speeches, I have spoken to him, and I agree with the leader that both governments are shying away from package deals and rather wish to deal with each one of the items on an individual basis. I cannot understand why we should be so far apart, when reading the same document.

Hon. Mr. Lamontagne: I do not understand either, because I read these statements quite differently. I may be wrong, and if so it would not be the first time in my life that I am wrong. I have been reading a statement, and it seems to me that there is in that declaration the basis of a new approach to the trade negotiations between the two countries. Also, this may be part of the explanation for the provisions contained in the new trade bill which is being discussed by Congress at the moment.

Hon. Mr. Walker: Honourable senators, I must say it is a wonderful thing to see Senator Croll agreeing with, or bowing to, the opinion of his leader. That is something novel which we should appreciate, that he comes down on his alleging conflict of interest.

Hon. Mr. Lamontagne: He prefers to agree with the leader than with me.

Hon. Mr. Walker: If he does have to speak of a conflict of interest, I hope he goes back in his own career for forty years, and perhaps works from that time to the present time. May I say to Senator Lamontagne that it was a magnificent speech he made. I am delighted to know that the new U.S. Secretary of the Treasury, Mr. Shultz, has turned the corner and is becoming more realistic in the approach to Canada; because that of the great "I am," the former Governor of Texas—typical of some in Texas and

in many parts of the world—was arrogant. He took a superior attitude, a patriarchal attitude, which he demonstrated in the manner in which he approached this auto pact. There was no give or take in the way he talked. I am glad he is out of the picture and that we have a more reasonable man to deal with.

Hon. Mr. Grosart: Honourable senators, my name was brought into the discussion, and some difference of opinion was expressed on the interpretation I gave of Secretary Shultz's statement. Perhaps I should draw to the attention of the Leader of the Government and others the clear juxtaposition of the package items in the statement made by Secretary Shultz. He said, and these two statements are contiguous in his speech, "We know there are large sources of energy in Canada; we would like to be the recipients of some of that . . . and they would like access to our markets. We have a lot with which we can work together." There is a clear statement of a package approach.

Hon. Mr. Martin: No.

Hon. Mr. Grosart: Let me go beyond that and point out to the Leader of the Government—and I have to say that I am not convinced that he read Secretary Shultz's speech very carefully—

Hon. Mr. Martin: May I say that this is a serious discussion, notwithstanding—

Hon. Mr. Flynn: A serious accusation, you mean.

Hon. Mr. Martin: I suggest to Senator Grosart that the statement he just read clearly does not establish the fact that the American government at the present time is saying it is prepared to negotiate in the field of trade with Canada on a package-deal basis. That is not the position of the government of the United States, and there is nothing in that statement that suggests now that it is.

Hon. Mr. Grosart: If the Leader of the Government will allow me to finish my statement it will be easier for me to make my point. If he wishes to interrupt, perhaps he would rise and ask my permission. The point I was going to make was that I doubted that he had read the speech carefully, because there is a specific reference by Mr. Shultz to the auto pact agreement. He said that this is a model which can be used when an attempt is being made for a package deal.

That is all I have to say. I am not going to argue with the Leader of the Government on what interpretation he may have placed on Secretary Shultz's speech. Senator Lamontagne and I placed the same interpretation on it, and so do, as far as I know, all other commentators who have discussed it in the 48 hours since it was made.

Hon. Mr. Walker: Except Senator Martin.

Hon. Mr. Lamontagne: We will have to study Mr. Shultz's statement very carefully.

On motion of Senator Laing, debate adjourned.

● (1530)

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

On the Order:

Resuming the debate on the motion of the Honourable Senator Laing, P.C., seconded by the Honourable Senator Connolly, P.C., for the second reading of the Bill S-4, intituled: "An Act to amend the National Parks Act".—(Honourable Senator Flynn, P.C.).

Hon. Mr. Flynn: Honourables senators, I had intended to stand this item, but I understand Senator Manning would like to speak on it and I would be happy to yield to him.

The Hon. the Speaker: Is it agreed, honourable senators, that Senator Manning speak in place of Senator Flynn?

Hon. Senators: Agreed.

Hon. Ernest Manning: Honourable senators, I want to thank Senator Flynn and honourable members of the house for providing me the opportunity to make a few remarks at this time on the motion which Senator Flynn adjourned last evening.

Alberta, as a province, has a valid reason for special interest in national parks legislation and national parks policy, because in Alberta there is a larger amount of land in national parks than in any other province of Canada. The whole western part of the province of Alberta, beginning at the American boundary, consists of three great national parks connected one with the other, starting with Waterton in the south, going into Banff National Park, which in turn goes into Jasper National Park. In the northeastern part of the province there is another vast area of land, the Wood Buffalo National Park.

This matter of federal parks and the administration of federal parks has always been one of special concern and interest to the people of Alberta.

Most people today would agree that there is a greater need than ever before for all countries, and this includes Canada, to take intelligent steps to preserve generous portions of available, suitable land for parks purposes. We have now moved into a period of mass urbanization in which the great majority of our people live in urban centres largely isolated from the rural communities and whatever advantages come from being in association with the more open spaces of our country. As populations continue to increase and as mass urbanization continues to increase, the need for these areas set apart and preserved in more or less their natural state will be of increasing importance and value to the Canadian people.

So far as Alberta is concerned, I think I can correctly say that there is no disagreement with this point of the increasing importance and value of large areas being preserved as national parks. There is, however, considerable disagreement over the attitudes and the policies of the National Parks Branch in the administration of these areas.

Over the years that I was identified with the Government of Alberta, we had numerous representations and complaints from residents of national parks—particularly those engaged in business or in the development of the provision of facilities within the parks—who were dissatisfied with the various regulations, restrictions and uncertainties which they seemed constantly to face in dealing with the National Parks Branch at Ottawa. These submissions ran all the way from requests for help in taking up

grievances with park officials, to petitions asking outright to have all or part of an area removed completely from the federal parks jurisdiction.

In trying to make a reasonable assessment of that situation, it became rather obvious to us that one of the major causes was that the National Parks Branch seemed to have an excessive number of professional planners and academic bureaucrats imbued with the idea that they are the fountain of all wisdom on matters pertaining to what areas should be in parks, and how those parks should be administered. As a result, there seems to have developed in the department a negative, restrictive attitude that has given rise to many restrictions and regulations. Regulations are necessary in some cases, but they have been developed to the point where they seem to be a source of constant irritation not only to many of the public who like to use national parks but to the people living in those areas who are associated with the provision of park facilities and the conduct of business within the park areas.

There seems to be a lack of positive programming to make our national parks accessible and enjoyable to the largest possible number of Canadian people. The great emphasis seems to be placed on the preservation of these areas as close to their natural state as possible, and, rightly or wrongly, this appears to have given rise to an attitude that it is far more important to restrict the use to which the parks can be put, and what people can do within the parks, than it is to develop a positive, constructive program that has as its one clear-cut objective not merely preserving these parks but making them accessible and enjoyable to the largest possible number of Canadian people.

I do not want my remarks to be misunderstood. There is a valid argument for strict and intelligent conservation of these areas. You cannot throw a park open to large-scale development or indiscriminate use without destroying the major purpose for which it is established in the first instance. The point I am trying to make is that we do seem to lack an intelligent balance between the necessary conservation of our park areas and the provision and encouragement within those parks of facilities and activities which will make them more attractive and more accessible to more people.

After all, the purpose in setting aside areas of Canada for permanent national parks is, surely, so that they can be enjoyed by the Canadian people and by visitors from other parts of the world. I see little, if any, merit in merely isolating vast territories—and I am speaking particularly of our mountain parks in western Canada, where the terrain is largely inaccessible in many regions—if all we are going to do is tell anyone interested, "We have great areas in our country left in their natural state; we don't let anybody go into them; we don't permit anything to happen there which would disturb their natural state, but we have them and we are very proud to have them." That would be a rather ridiculous position to adopt.

I want to see these areas preserved in as natural a condition as possible, but I want to see them made available to Canadian people especially and to visitors from other countries, and I want to see them being used as much as possible for the enjoyment of such people.

[Hon. Mr. Manning.]

● (1540)

We found from our experience in the Government of Alberta that there seemed to be a serious lack of appreciation on the part of the National Parks Branch in Ottawa of the diversity of facilities necessary if the parks are to be used and enjoyed by people. Honourable senators, a great diversity is required. Some people want no more than to get back into the remote wilderness areas. All they want is to be permitted to use the trails for pack trains which enable them to reach and enjoy isolated areas. On the other hand, the sophisticated tourist is interested in the most comfortable of accommodations. He too wants to enjoy the scenic beauty of the park, but he wants to play golf, he wants very comfortable accommodation and all that goes with it.

In between, there is that very large segment of the population who want, primarily, simple but comfortable and attractive accommodation—which will not cost them a fortune—for themselves and for their families, so that they may enjoy in their own way a vacation in these areas that have been set aside for this purpose.

But my experience, as it relates to matters of this kind at the provincial government level, was that there did not seem to be an appreciation on the part of the National Parks Branch at Ottawa of the need for such diversification.

There are many persons in the private sector who are quite ready, willing and able to provide the diversity of facilities that the people desire, if they are not constantly prevented, or at least interfered with, by many irritating regulations and restrictions. These persons feel a great deal of uncertainty about the future position in these areas, if they should spend capital to provide the facilities the people need.

Let me say quite frankly that I am more concerned about the kind of facilities that meet the needs of the rank and file of our people. Unquestionably we have beautiful facilities at places like Banff, Lake Louise, Jasper and Waterton, and I see nothing wrong with this. But if you visit any of these places in the summertime, you will find that the deluxe facilities are occupied as to 80 or 85 per cent by visitors from the United States. This is very nice; I have nothing against it, and I am glad to see these people coming. The point I am making is that this is not providing enjoyment for the rank and file of Canadian citizens. They have not the money needed for a holiday at Château Lac Louise, Jasper Lodge or the Banff Springs Hotel.

I think it is up to us to accept the responsibility for creating a situation where the private sector will be encouraged, rather than obstructed, in providing the facilities to the extent and of the kind that are required by the Canadian people in order that they can enjoy these facilities to a greater degree than is the case today. In other words, honourable senators, I am not particularly concerned about this particular piece of legislation, which in itself involves rather minor amendments to the existing parks legislation, and which can be the subject of arguments pro and con. What is of much more serious concern is the need for an updated and positive parks policy program which will have as its objective the making of these places attractive and available to the rank and file of

the Canadian people to a much greater degree than is now the case.

There is also need in this respect for a closer liaison between the federal parks branch and the various provincial governments in this country. Most of the provinces have their own extensive parks programs. I think it is not inaccurate to say that, to some degree at least, the large expansion of provincial parks has been one of the reasons for the dissatisfaction concerning the national parks policy. Surely it would be of advantage to all concerned to have a close liaison between the federal parks branch and the provincial departments involved in the same field. In this way we could bring about some uniformity of regulations. People could eventually become familiar with them, as opposed to the present situation where two separate entities are frequently in competition with one another. A co-ordinated program would provide the best possible use of land set aside for parks, whether provincial or federal.

Honourable senators, this question could be discussed in more detail, with many illustrations of the concerns that I have been speaking about. I want to stress once again that what we need, rather than mere routine amendments of this kind, is a complete change of attitude on the part of those responsible for the administration of national parks. We need to develop a positive, imaginative program to ensure that these areas are not regarded as reserves to be defended against all comers, but as areas for the enjoyment of the Canadian people. We must ensure that steps are taken to provide the facilities necessary to make that enjoyment possible.

On motion of Senator Flynn, debate adjourned.

TRADE

CANADA'S DEVELOPMENT AS A MANUFACTURING NATION—DEBATE ADJOURNED

Hon. George van Roggen rose pursuant to notice:

> That he will call the attention of the Senate to the question of Canada's development as a manufacturing nation in the light of world trading patterns today.

He said: Honourable senators, I rise to speak today on a matter which I consider to be of great national importance to this country at this time in its history. I gave notice some weeks ago that I would call the attention of the Senate to the question of Canada's development as a manufacturing nation in the light of world trading patterns today. My concern is whether or not Canada is to become the economic orphan of the industrialized world.

As I proceed further with my remarks on this subject, honourable senators may begin to wonder whether Senator Lamontagne and I have compared notes before making our speeches today. I can assure you that we have not. The importance and concern which this general area brings to Canadians who consider it is indicated by the coincidence of both he and I speaking in this chamber today on the same matter, even though our conclusions may vary slightly as to the solution that is best for Canada.

● (1550)

Let us consider for a moment the industrialized world. Generally speaking, it lies to the north of the equator. There are one or two exceptions, such as some industrialization in Australia and South America, but we have the four great trading blocs of the northern industrialized world to consider. Senator Grosart yesterday referred to five. I do not include China at this juncture in history as one of the great industrial areas. Before I give the figures with respect to Russia and her satellite countries, let me say that the populations of these blocs are of great significance to the problem we face. These numbers include 240 million at home in Russia and 130 million in the satellites, for a total of 370 million people in the one market. Japan has 100 million in the home islands, whose wage scales and location in the world afford access to markets totalling immediately at least 200 million. The population of the European Economic Community is 250 million, plus 50 million in other parts of western Europe which have entered into substantial trading arrangements with the Economic Community, a point to which I will return later, for a total of 300 million souls. Then there is the United States with 200 million in its home market having more purchasing power than the remainder of the great trading blocs put together.

I believe a debate will take place during the next week or two on the subject of the recent visit of the Standing Senate Committee on Foreign Affairs to Brussels to study the European Common Market. I was fortunate enough to be a member of the visiting group. I might state that I made my notes for today's remarks before leaving on that trip, and the fact that the visit intervened was coincidental. I would like to take a moment, however, to congratulate the chairman of the committee, Senator Aird, and Senator Grosart, Dr. Dobell, our staff, our Ambassador to the Common Market and all others concerned with the visit, on the excellent arrangements which were made for us. We were given opportunities to discuss matters of concern to Canada and the Common Market with senior officials in Brussels in every category. It was a very hard work week. It was the first so-called "politicians' junket" I have been privileged to take part in and, while it may have been a junket, it consisted of 17 meetings in 4½ days, commencing with breakfast meetings at 8 a.m. I commend the chairman for the arrangements he made. Although I do not wish to make a speech on the Common Market at this juncture, I might say that all of us left Canada with the impression that the smaller group of six nations of the Economic Community had been a great success story. I certainly came away with the impression that the enlarged Common Market of nine will be an even greater success story.

I will define, if I may, the difference between a common market and a free trade area, because there is a great deal of confusion among those who have not studied this subject, including a recent Premier of the province of British Columbia, as to the difference between a common market and a free trade area. The terms are sometimes used almost synonymously, although they are as different as night and day.

A common market such as that in Europe with its nine members—now including Great Britain, Denmark and Ireland, who recently joined—has not only free trade within its own boundaries, but a common external tariff wall which binds all the participants so that a joint decision made by all is binding on each state. In the case of the

European Common Market, there also exists free flow of labour, free flow of capital, and an avowed intention of arriving at political unity in addition to economic unity.

A free trade area, on the other hand, means only a free exchange of goods of a specified character between the participating countries. Examples of this may be found in Finland, Norway, Sweden, Portugal, Switzerland, and Austria. These other European countries have all entered into free trade agreements with the Common Market. They are not members of the Common Market, but they will have a free trade relationship with it. They can set their own policy as to tariffs and trading arrangements with the rest of the world. As a result, they will have much more control over the flow of capital into those countries, over the flow of labour and, generally speaking, over matters concerning their own identity and sovereignty. They will not be going down the road of political union, which goes hand in hand with the Common Market. This is an important distinction, to which I will return later in another context.

Why are these huge trading blocs so important to Canada's trade? First, they have a common characteristic, in that they apply no tariffs against resources. A second characteristic they share in common is the imposition of tariffs against manufactured goods. I say this with some feeling as a westerner, that not only do they apply tariffs against manufactured goods, but they erect tariff walls as soon as any value is added to resource products. Therefore, while they welcome the products of the forests of British Columbia, as soon as we manufacture fine paper, on go the tariffs.

The third characteristic common to all these blocs is that they wish to export manufactured goods to pay for the resources which they must import. Canada, however, now wishes to develop manufacturing and a manufacturing potential, and to sell the manufactured goods, not just raw materials, in world markets. There is no way the underdeveloped southern hemisphere can buy and pay for all manufacturing from the blocs, plus new manufacturing from Canada, and new value added to our natural resources.

You might ask why Canada cannot go it alone in the same manner as Sweden, Norway or Finland? The fact of the matter is that Sweden, Norway and Finland are not going it alone. As I have just pointed out, their free trade agreements make them part of a "United States" of Europe, economically if not politically. May I quote a few paragraphs in this respect from an information service publication I obtained from the Swedish Embassy in Ottawa:

> Sweden's agreements with the EEC and ECSC—

That is, the European Coal and Steel Community.

> —create a free trade area for industrial products and ECSC products—coal, iron, steel, iron ore and scrap. The agreements will enter into force on 1 January 1973. There will be a stepwise abolition of customs tariffs between the parties to the agreements during a transitional period—ending in the complete abolition of tariffs on 1 July 1977. Special rules apply, however, to certain kinds of goods, and the transitional period for EEC tariff removal with respect to Sweden will be extended to 1980 for special steels, and to 1984 for paper and paper products.

[Hon. Mr. van Roggen.]

● (1600)

> With respect to the new EEC members that will leave EFTA—

That is the duty-free trade area to which Britain belonged up to January 1, 1973.

> —on 1 January 1973 . . . it is intended that the existing free trade obtained in EFTA will remain [with certain exceptions].

The Embassy publication says:

> As in EFTA, the abolition of tariffs will be accompanied by rules of origin. The agreements further contain regulations concerning unfair competition—cartels, and abuse of a dominant marketing position. These practices are incompatible with the agreement in so far as they effect the trade between Sweden and the Community. Public aid which distorts or threatens to distort competition is, in principle, considered to be incompatible with the agreement.
>
> Considering Sweden's international dependence and the increasing importance of foreign trade for her economy, it is obvious that the agreements have a great value for Sweden—which has long looked upon free trade in Western Europe as one of the basic aims of her trade policy. The enlargement of the Communities and the free trade agreements with Sweden and other EFTA countries will end the split in Europe between two trade blocs. Thus one tariff free market, comprising 16 countries and 300 million people, will come into being.
>
> The agreement with the Community creates greater opportunities for Swedish export industry than any other trade agreement and they should consequently have a favourable effect on both employment and income. The tariff removals should give the consumers access to cheaper imported goods; and industry will be able to buy components from abroad at more favourable prices. The fact that the agreement is in the form of a free trade agreement means that Sweden maintains her autonomy and treaty-making power in the field of trade policy.

I have been stressing the huge numbers of people in these blocs for the simple reason that modern industrial techniques, and particularly the more sophisticated and exotic areas of production, require the massive back-up of research and development, design techniques, marketing techniques, management techniques, followed by cost efficiencies, all of which can only be supported when the production runs resulting therefrom are designed to serve a market of hundreds of millions.

Let me give a simple example. Ten years ago a comparatively large number of European companies were struggling to survive in the computer field, and the various governments of Europe encouraged the companies within their own boundaries to amalgamate in order to try to compete with IBM. After 10 years of amalgamation there were left only three or four European computer companies, the largest being the British computer company, which was an amalgamation of all computer companies in England. It had the guarantee of the British government

that it would be able to fulfil all the requirements of the British government and the British armed services. However, after that period of time, that company, the largest of all the European computer companies, had gross sales in one year which were slightly less than the research and development budget of the IBM Corporation. That shows the magnitude of the problem with which we are faced in Canada in wishing to get into manufacturing.

Let us look also at the great multinational corporations of the world. Senator Abraham Ribicoff, a very distinguished member of the United States Senate, said recently:

> I am convinced that during the last quarter of this century, ecopolitics will replace geopolitics as the prime mover in the affairs of nations . . . While politicians and diplomats still argue over the same old tired political issues, businessmen and bankers are rearranging the basic nature of relations between states and peoples. While the generals still busy themselves with planning their war games and maneuvers, increasing commerce between the East and West, and the growing internationalization of production, are making the ideas of a major armed conflict in Europe an absurdity.
>
> The activities of multinational corporations . . . are crossing frontiers and erasing national boundaries more surely and swiftly than the passage of armies and the conclusion of peace treaties.

Honourable senators, it is a good guess that by 1980, which is only seven years away—a very short period of time for us to take any initiative—300 large corporations will control 75 per cent of the world's manufacturing assets. Within a decade, every firm of consequence will operate extensively in 20 or more countries, guided by efficiency and the quest for profit, and paying but formal attention to national boundaries.

I might here digress momentarily to comment on the approach of many of the Europeans we met in Brussels. As senators are aware, a number of individual European states which make up the Economic Community, and the other states which have free trade arrangements with the Economic Community, have socialist governments. Fifty per cent of the representatives whom we met were former ministers or representatives of socialist governments.

I was astonished and delighted to find that these men spoke with more business acumen and more intelligently on economic matters than do many supporters of a free market economy in Canada. There are provisions in the Treaty of Rome against government monopolies being given any concessions that are not given private companies. They welcome foreign capital and foreign technology. They have a full understanding of the need to give incentives to industry, particularly in areas of export. For instance, Sweden's corporate tax is half that of ours. I wish Mr. David Lewis would go over there and take some lessons from some of his confrères.

Hon. Mr. Flynn: He is past the age to learn.

Hon. Mr. van Roggen: While I am on the subject of multinational corporations, we should consider Sweden and such companies as Volvo, S.K.F., and her steel companies. In Holland there is the Philips Corporation—I am not referring to the petroleum company, but the electronics company. That company was virtually ruined at the end of the war, but today it employs 300,000 people and manufactures products that were not even invented 20 years ago, having one of the highest technological inputs of any company in Europe. Three hundred thousand people are employed at that one company. When the figure is considered in the light of the employees' wives and children, and the service industries that support them, one realizes that that corporation supports a population of millions.

Germany, France and England all have their multinationals, and the United States has a predominant number in this field. Canada's few multinationals are mostly resource and service oriented. We need some in the manufacturing industries, instead of branch plants only; and Canadians must start to develop pride in large Canadian companies, instead of exhibiting indifference at best or outright hostility at worst.

What is the price and what is the risk of Canada's historic and continuing policy of tariff protection and multinational trade? The price, I submit, is a branch plant economy, too much foreign ownership, and a resource-oriented industry without sufficient manufacturing.

Actually, resource industries are more beneficial to the economy and provide many more jobs than they are given credit for. But that is a story for another day. I see Senator Laing in the chamber; I am sure he will join me in expounding some of the facts of life, with regard to resource industries, to those honourable senators who come from the central provinces. Therefore, I shall not digress to that subject at the moment.

Even in the case of resource industries, we should have more "value added" in Canada, which is a form of manufacturing. However, once we start processing our resources in Canada, on go the tariffs in Europe and the United States.

The risk that we run with our policy is that there are always forces of protectionism in all countries. Senator Grosart last evening mentioned the remaining area of high protection in Europe, namely, agriculture. This is going to be one of the major areas for negotiation and bargaining between the United States and Europe in forthcoming talks. There are also powerful forces in the United States supporting the Burke-Hartke proposals, which represent extreme protectionism at its worst. Protectionists could win the day, with the United States administration weakened as it is by scandal, whereupon Europe would retaliate against the United States with higher tariffs. Where would that leave Canada with its dedication to its ideal of world multinational trade, which is fast fading into nonexistence? We would be the jam in the sandwich; that is where we would be.

● (1610)

I say categorically that if Canada chooses to go it alone, as opposed to becoming part of a bloc, we will not only become the economic orphan of the industrialized world, but from our historic position as the second richest country per capita we will sink to third or fourth—where some statistics already show we are, incidentally—and then to fifth, and so on down the line. We will even fall behind in renewable resources, such as agriculture, as the technological superiority of the industrialized blocs is brought to

bear in these areas—as, indeed, is already happening in United States agriculture.

I do not mean that we cannot continue to live very well for many years. Because of the endowments of nature with which we are blessed, we certainly could live very well for many years to come. However, Canadians must stop being schizophrenic and muddleheaded. We must start thinking clearly. There is a great cry in the land for more manufacturing. Well, we cannot have it both ways. I do not say that we must join a trading bloc, only that we must do so if we wish to get into manufacturing in a big way; if we wish to dismantle our branch plant economy and develop our own science and technology.

We can simply sit and harvest our resources and do very well. But we must make a conscious decision as to which of these courses we intend to follow. We must stop running for cover every time some crazy Westerner, such as myself, suggests some form of free trade. After all, it is fine for Windsor and Oakville to have their private free trade area with the United States in the form of the auto pact, but the rest of us would like some of the action, too.

Hon. Mr. Martin: I get the point.

Hon. Mr. van Roggen: I put that in there especially for you.

If, as I suggest, we are to join a trading bloc, which one could we join and which one should we join? The first bloc I wish to refer to is the Soviet bloc. I do not think I need dwell on that. It is impractical for us to join it, and we should not join it.

The second bloc would be Japan. Perhaps we could join that bloc, but I suggest that we should not. While they have a highly sophisticated and cohesive, hard-working society, their wage scales and standard of living are half ours. I cannot see Canada being successful in developing its manufacturing industry by trying to sell transistor radios and running shoes to the Japanese. Japan will continue to be a large market for our resources and I would hope, in time, for resources with much more value added than we have at the moment.

The third bloc to consider is the European Community. This, again, I say we should not join. Their wage scales are lower than ours, and in addition there is an ocean to cross. We would not be competitive in endeavouring to develop our manufacturing by negotiating free access on a mutual basis with the European Community.

More importantly, we probably could not join the European Community, even if we wished. In talking with the Europeans in Brussels, I found them to be very pragmatic on this subject. They are busy unifying Europe, not solving Canada's problems, and while they are dedicated to freer trade on a worldwide basis they do not wish to offend the United States. They told us repeatedly in Europe that they would not consider preferential trade agreements with Canada outside of general world tariff negotiations, and asked, indeed, why on earth we, living next door to the United States, would want such special arrangements.

The Europeans do have some limited preferential trading agreements with some of the Caribbean and African countries, the reason for this being that the economies of those former colonies would collapse completely were they set adrift overnight.

Incidentally, when I speak of tariffs I should really use the term "trade barriers," as the non-tariff barriers so ingeniously employed by all nations are much more important than the tariffs themselves, and within a common market or free trade area careful restrictions are placed on the use of these non-tariff barriers between the participating states, something which is much more difficult to enforce on a multinational trade basis.

The fourth bloc to consider is the United States, and this is the one I say we could join, and we should join. The United States is the most highly sophisticated and technologically advanced nation and the only one with wage levels higher than ours, so we could compete without sacrificing our present standard of living and sell in a market with a purchasing power greater than all the other blocs combined. The geography is right, the language is right, and we understand each other's specifications, design criteria, tastes, and so forth.

How could we negotiate such an agreement? It would be tough to negotiate. Therefore, Canada must develop an industrial strategy whereby we would trade off resources for access to markets for our manufactured products, including adequate value added to those resources where feasible, and here I am echoing what Senator Lamontagne said a few moments ago. I do not think we should be foreclosed from developing such an industrial strategy and approach to the United States on the basis of a package deal because the United States has not announced that it wants to bargain in that fashion. We should simply take the position that this is the way we intend to bargain.

I hear the voices now of Canadian nationalists shouting "Continentalist! A common market with the United States? Never! We would be swallowed up." But let us think, for a change, and not be emotional.

First of all, I have endeavoured to make the case that Canada is playing a very dangerous game by putting all her eggs in the basket of multinational trade in today's industrialized world of trading blocs. Secondly, I would be the last person to advocate a common market, which I distinguished from a free trade area earlier, with the United States. In a free trade arrangement, which I do advocate, we would have access to markets for manufactured goods without free flow of capital, without free flow of labour, without adopting common external tariffs, without political union, and without loss of sovereignty.

To summarize, we need free trade with the United States for the following reasons. We need it, first, to gain access to a market large enough to enable us to industrialize our society and compete in multinational trade around the world. To expand on that for a moment, my point is that we cannot get into the world trade game with the Europeans, the Japanese and the Americans in selling to the South Americans, or to each other, unless we develop a manufacturing facility in Canada that is efficient enough and has the same cost advantages of large production runs that these other blocs have. We need it, secondly, to enable us to dismantle our branch plant economy, and, thirdly, to overcome the problems of foreign ownership in Canada with something other than band-aid solutions.

● (1620)

Free trade between Canada and the United States is nothing new, for we have had it not only with the United States but with Europe and other countries in raw materials for years. Why not in manufactured goods also? The reason for this is obvious. Other countries welcome our raw materials and put no tariff on them, but as soon as we add a little Canadian labour content to the raw materials, on go the tariffs.

All this cannot be accomplished overnight. The transition would need to come over a period of years, but economists have estimated that it could be accomplished in as little as ten years, without undue dislocation in Canada, in view of the stakes. We could proceed on an industry by industry basis, but I frankly would favour an across-the-board approach. But we must first open our minds to the subject and not run away from it every time it is raised.

We complain about cultural domination and loss of sovereignty. Believe me, sovereignty in a country with a faltering economy is not sovereignty at all, and we as Canadians can develop our full identity and our full potential only after we start seeking positive rather than negative solutions to our problems.

Professor H. G. Johnson, whom Senator Grosart referred to last night, in a paper on Canadian-American development in the face of a changing world economy, points out that the American structure, with its low tariffs on raw materials and high tariffs on processed goods, encourages the establishment in the United States of manufacturing activities that could be more economically carried out in Canada, and of manufacturing of labour-intensive goods that could, given the wage differential between the two countries, be produced here at a lower cost. On the other hand, the Canadian tariff promotes the development in Canada of inefficient production of goods that could be obtained more cheaply from American suppliers.

M. K. Inman, in his work on Canada, the United States and the European Common Market, states:

> As a result of short-sighted tariff policy, we have encouraged the establishment in this country of industries which are ill-suited to our economic climate. Our population, now 22 million, is still too small to provide an adequate market for the miscellaneous types of articles manufactured in Canada under tariff protection. One of our basic troubles is that we are producing too little of too many things and not enough of a few things. Our present over-all industrial organization does not enable the Canadian producer to take full advantage of economies of scale. As a result, in many areas, we have a high cost economy. What we need is greater specialization in the production of a smaller number of particular goods at lower per unit cost, obtainable only if a wide market is available.

I could give endless examples, but I will not take time to do so now.

"We are so small and the United States is so big," you say, "we will be swallowed up." Have we, as Canadians, not the guts of little Finland, with under five million people, which has entered into a free trade agreement with 300 million highly industrialized Europeans? Let me develop that for a moment. We had an interesting discussion on this subject with the Finnish Ambassador in Brussels. Finland has an economy not unlike that of parts of Canada, such as the province I come from. It is heavily oriented towards forest products, pulp and paper, with comparatively little manufacturing. They have a population which is tiny when compared to that of the whole of industrialized Europe. It makes our feeling of inferiority, living next to the United States, pale in comparison. They have entered into a free trade arrangement with all of Europe, and have done so for the specific purpose of increasing the manufacturing side of their industry.

It may be said that they are taking a wild gamble. They are not taking a wild gamble, because they have had the experience of the last few years in EFTA, the European Free Trade Association, which, as will be recalled from my earlier remarks, consisted of a free trade arrangement of the Outer Seven, when the Common Market originated with the Inner Six. During the period of that free trade association, when their largest trading partner industrially was Britain, they very carefully monitored the increase in their manufactured exports. While the economy of Britain was moving ahead during those years, before it went into the Common Market, at only a fraction of the rate the Common Market was moving ahead in its economy, the export to Britain of Finnish manufactured goods was greater under the free trade arrangement than it was to the European Common Market where there was a tariff barrier. Finland said to itself, "Where we have free trade our manufacturing sector increases its exports more rapidly than where we do not have free trade."

I just draw the picture for you, honourable senators, of little Finland, stuck where it is. Even if it wanted to join the Common Market, it could not do so because of the political pressure of Russia on its doorstep. Finland opted for the free trade arrangement with the Common Market, so that the manufacturer of a tea kettle in Marseilles, a television set in Amsterdam, or a pair of shoes in Florence, can put them in Helsinki and sell them without any tariff whatsoever. And the Finns say they are going to prosper out of this.

The Norwegians voted against joining the Common Market and yet have negotiated exactly the same free trade arrangement with the European Common Market. These are only five million Finns and only four million Norwegians, compared to a population of 300 million highly industrialized people.

Sweden, which I mentioned a few minutes ago, has a population of eight million, and many people often ask, "Why does Canada not do what Sweden does?" Sweden has just signed a free trade agreement with the Common Market, as I referred to in the release from the Swedish Embassy from which I quoted in my remarks a short while ago.

The Finnish period of transition—this shows how much they wanted to get into a free trade area—is only five years on manufactured goods, but Finland did not ask for special concessions from the Europeans. The Europeans said to Finland, "We want special concessions from you." They exacted 11 years out of the Finns for the removal of

tariffs in Europe on their forest and pulp and paper products.

Before closing, I wish to say that nothing in what I suggest should be construed as advocating that we should not support in every way the continuing initiatives of the European Community, the United States and others to lower world trade barriers. But even if these trade barriers are lowered, or at the very least not raised, they are still trade barriers between the large industrialized blocs, and there are no barriers within those blocs and within those huge populations and markets.

Canada must also have such a bloc to work within, so that it can develop the industrial machine which will enable it to compete on a multinational basis in the trade between the blocs. Honourable senators, I am not asking that we enter into a free trade treaty with the United States next month, but that we start to look at this subject dispassionately, with an open mind, that we start to study it and see where it would take us. We might find it possible to negotiate a satisfactory agreement, with proper safeguards, with a transitional period long enough to assure that we obtain from that treaty what I believe we could obtain from it. As has been said:

> It is a case of economics versus history, and in Europe history has already lost.

The question now is: Do Canadians want to get into the game, or sit back and live on their resources? My guess is that they want to get into the game. I think Canadians are smart enough and tough enough for the big leagues. This is why I feel that we should have a national debate on the fundamental question.

Hon. Mr. Sparrow: May I ask the honourable senator a question? There is the free movement of goods from Finland and Norway into the Common Market, as he suggests, but they do not come under the umbrella of common external tariffs. What happens to the goods that Norway or Finland could import and then re-export into the European Community? What provision is there for restrictions on that type of movement?

Hon. Mr. van Roggen: There is a restriction on that sort of thing. That sort of cheating is not permitted, and there are various treaty mechanisms to avoid it. I have not made it my business to discuss the technical aspects of the treaties.

● (1630)

There is a transitional stage on forestry products between Finland and England, as a result of the free trade agreement with the Common Market, for that very reason. Finland had free trade with England up to this point, but because of the longer transitional period demanded by Europe on forest products, the British free trade on forest products had to be abolished, so that the forest products would not funnel through Britain and into the rest of the Common Market. These are technical things and have been dealt with in that way.

Hon. Mr. Sparrow: Are you saying that, with a free trade area between Canada and the United States, you would have a special arrangement for the export of products made outside of Canada, imported into Canada, and re-exported into the United States; that you would have some type of agreement to prevent them from reaching the Canadian and/or American markets in this way?

[Hon. Mr. van Roggen.]

Hon. Mr. van Roggen: Both sides would have an interest in that. Let me mention a specific example. It was mentioned by Senator Beaubien, I think, that our steel industry is very efficient in Canada. If we had a free trade arrangement with the United States, and were exporting a lot of steel to the United States market, this would not open the way to import unlimited quantities of steel from, say, Japan and then funnel it to the United States, when the United States limited the importation of Japanese steel through San Francisco.

Hon. Mr. Sparrow: Would you have a trade agreement on a commodity basis or on a total basis?

Hon. Mr. van Roggen: Many European free trade agreements are basically on all manufactured goods, but they exclude farming and agricultural products. I should have mentioned that. They still have these very high-walled agricultural policies in Europe, both in so far as their external character is concerned and also within Europe. This is something which will take time to break down, but they are across the board on manufactured goods. An ordinary free trade agreement is across the board, but you can have less than that. We already have free trade across the board in raw materials, and I am suggesting an expansion of it.

Hon. Mr. Molson: May I ask the honourable senator what proportion of the exports of Finland are in wood products?

Hon. Mr. van Roggen: I have not the answer to that, I am sorry. I believe it is high, but I could not answer the specific question.

Hon. Mr. Molson: The reason I asked that is because I wondered if it was fairly parallel to our own situation, or whether perhaps something like 65 or 70 per cent of the Finnish exports would be forest products, and in fact in the Common Market there is relatively little competition. Again, in England they certainly do not grow much of their own timber, and I was wondering whether this had a bearing on the nature of the exports.

Hon. Mr. van Roggen: Senator Molson, I found it interesting myself that the transitional period in the Finnish treaty on forest products would be eleven years. Keep in mind that that was not something the Finns wanted, but something which was imposed by the Common Market. Therefore, there must be a sufficient supply of forest products within the Common Market and they were afraid of giving the Finns free access, without having a transitional period long enough to allow their own industries to adjust.

Hon. Mr. Molson: Or to manufacture supplies instead?

Hon. Mr. van Roggen: Yes. They were concerned about their own industry. These negotiations went on for months, and these treaties covered a great deal of ground.

On motion of Senator Molgat, debate adjourned.

EXPORT DEVELOPMENT CORPORATION

COMMITTEE AUTHORIZED TO MAKE STUDY

Hon. Paul Martin moved pursuant to notice:

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report upon the structure, policy and operations of the Export Development Corporation.

He said: Honourable senators, it will be recalled that on April 18 we passed a bill to amend the Export Development Act. That bill was introduced in this house by Senator van Roggen. He spoke on that occasion with skill, and his lucid explanation was quite convincing. He made an able presentation then, as he did today. I believe that it is not necessary to add much to what was said on the day we passed the bill.

Senator van Roggen pointed out that there was a need to increase the capital of the Export Development Corporation from $75 million to $150 million. The result was to raise the limit of the borrowing power of the corporation for its international banking functions from $850 million to $1,500 million.

The Export Development Corporation has been a successful venture. It has indirectly provided jobs for many Canadians. It has played a notable part in our balance of trade position.

When the bill was before the Senate, Senator Flynn—who co-operated in the passage of the bill, as he always does—proposed during the second reading that a Senate committee might at some later date examine the structure, the policy and the operations of the Export Development Corporation. I acceded at once and indicated that at the earliest opportunity we would propose that his initiative be recognized.

Honourable senators, the purpose of this motion is to suggest that the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and report on the structure, policy and operations of the Export Development Corporation. I spoke to the minister in charge of this program, as well as to the director of the corporation, Mr. Hugh Aitken. Both have expressed their full concurrence in the desire of the Senate, as proposed by Senator Flynn.

I am sure that this would give us an opportunity to consider an operation that has a satisfactory profit position. The profits of the corporation have risen from $4.4 million in 1971 to $8.7 million in 1972. It has accumulated net earnings of $18.6 million since the date of its incorporation. Therefore, we might find this a productive and useful study for the Senate committee.

Hon. Mr. Flynn: Honourable senators, the Honourable Leader of the Government has exhausted the subject—and myself, too.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, May 17, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of the Royal Canadian Mint for the year ending December 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-1026, dated April 19, 1973, approving same.

ADJOURNMENT

Hon. Gildas L. Molgat: 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, May 22, 1973, at 8 o'clock in the evening.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

That the name of the Honourable Senator Buckwold be added to the list of senators serving on the Standing Senate Committee on Transport and Communications.

Motion agreed to.

VIETNAM

VISIT OF CANADIAN PARLIAMENTARY MISSION—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to the recent Canadian Parliamentary Mission to Vietnam.—(Honourable Senator Molgat).

Hon. Gildas L. Molgat: Senator Carter.

The Hon. the Speaker: Honourable senators, has the Honourable Senator Carter leave to proceed?

Hon. Senators: Agreed.

Hon. Chesley W. Carter: Honourable senators, so much time has elapsed since this debate was initiated that perhaps we should remind ourselves that the subject matter under discussion is the visit of the Canadian Parliamentary Mission to Vietnam.

Hon. Mr. Walker: What year was that?

Hon. Mr. Carter: March 28, 1973.

I know that I am expressing the sentiments of all honourable senators when I say we are greatly indebted to Senator Cameron for the very detailed and informative report which he gave us on March 28 and 29 of his visit to Vietnam as a member of the Canadian Parliamentary Delegation. The purpose of this mission was to get a first-hand look at the general situation there, and particularly at the task which faces the International Commission of Control and Supervision, of which Canada is a member.

It is particularly fortunate both for us and for Canada that Senator Cameron was selected as a member of that delegation, because during his previous trips to Southeast Asia, and particularly to China, he had acquired a familiarity with the historical background of these Asian nations, their outlook on life, their hopes and aspirations, their institutions and the philosophies on which they are based. In the course of his visits Senator Cameron has also established valuable contacts with influential people in these nations and has gained valuable insights into the workings of the Oriental mind.

With all this background Senator Cameron could easily qualify as an old China hand. He is a very keen observer, and more than any other member of the delegation he was qualified by this experience to evaluate and appraise what he saw and heard. His observations, impressions, assessments and opinions, therefore, carry all the more weight on that account.

There were some who expressed the opinion that this parliamentary delegation should never have gone to Vietnam. Senator Cameron's report has certainly dispelled any doubts that anyone could possibly have on that score. While it is true that the Canadian Ambassador, Mr. Gauvin, and the Canadian Military Commander, General McAlpine, could be brought to Canada for questioning by a parliamentary committee, any pertinent questions put to them would, in a sense, be out of context in a Canadian environment, and it is doubtful whether, without that necessary background of personal knowledge, the full meaning of the answers given could be properly interpreted or evaluated because the questioners would have to interpret the answers given in terms of their own mental concepts conjured up by their individual imaginations, which could be very different from the real and actual situation. There is no substitute for the on-the-spot briefing where one can relate what is being said to the actual environment in which it is being said, as well as to what one has actually seen and heard for himself and to what one sees going on around him at any particular time.

Apart from that, to understand the situation fully, it was absolutely vital to talk personally with the other members of the International Commission of Control and Supervision, with high-ranking officials of North Vietnam, South Vietnam and the Viet Cong governments as well as with members of the parliamentary institutions in those areas. There was no possible way that contact with people such as these could be made by any Canadian parliamentary body without going to Vietnam. These contacts were vital for them as well as for us and could very well be expected to help create a favourable influence on the ICCS itself, as well as on the political climate in which the Commission would have to work. If it served only to avoid further misunderstanding, the parliamentary mission to Vietnam would be amply justified.

The larger question, however, is: Should Canada have allowed herself to get involved in this International Commission of Control and Supervision, particularly in view of our 19 years' experience of frustration and futility as a member of the old ICSC? Here again, I think, Senator Cameron has demonstrated that the answer is definitely in the affirmative.

Like most Canadians, I did not feel too happy about it, but I supported the decision because I thought it was the right thing to do. It was a positive step taken in good faith, in response to an opportunity to help, in whatever way was possible, to assist in bringing about a cease-fire in that poor, strife-torn country.

● (1410)

Canada has a status among nations that is conducive to this type of operation. More than any other nation, she has had experience with this kind of work, with the responsibilities involved and the pitfalls to be avoided. Canada also had the necessary forces in being, the equipment to deploy them immediately, and the financial ability to bear the expenditure. As I see it, Canada, as a peace-loving nation, had a duty to put these assets at the disposal of the parties involved in an effort to try to help to do anything that might lead to the restoration of a cease-fire as a first step towards peace, no matter how remote the possibility of success.

It is true that we run the risk of being called a stooge for the United States, but nothing good or positive could ever be undertaken if we allowed ourselves to be deterred by those who impute wrong motives to our actions, and who in many cases do so for that very purpose. No doubt Canada could very well have said, "We have done our part and now it is somebody else's turn," but had we taken this negative attitude we would have been avoiding an opportunity to serve the cause of peace, which is our responsibility, and we would be setting an example not in keeping with our traditions and our reputation among nations. Furthermore, we could then have been accused of prejudging the situation and prejudging the good faith of the parties involved, and of not being willing even to give it a try. In my opinion, it is far better and far wiser to take the positive approach, and at least try to see what could be done, even if failure had to be admitted in the end.

After listening to Senator Cameron's speech and reading it again afterwards, I am completely convinced that not only did we do the right thing in accepting membership in the ICCS, but that Canada's participation has already been justified by the beneficial effects that have been achieved. For example, at the rate things were moving, without the initiatives taken by Ambassador Gauvin and his Canadian delegation the ICCS would have been a long time without any secretariat, without any organization, and therefore would have held fewer meetings and carried out fewer supervisory missions, and quite possibly none at all. It is also possible that Canada's open-mouth policy may have had some restraining effect on the warring factions in Vietnam, and may have served to keep hostilities at a lower level than otherwise would have been the case.

I said earlier that, while I supported Canada's participation as the right thing to do, nevertheless, as one who has studied the ideology of communism, their strategies and tactics, I could not feel happy about it or be very optimistic about the results, because personally I had, and still have, very strong doubts that the communists had any intention of keeping their part of the bargain or of living up to the agreement which they have signed. Events to date tend to support this opinion.

To understand what is taking place, we must see the Vietnam war in its true perspective. News reports and press commentaries usually create the impression that the Vietnam war is a separate and isolated struggle. It is not. It is merely a part of the larger struggle between communism and the free world. Let us face up to the real truth. The arsenals supplying the weapons of offensive warfare which enabled the North Vietnamese to press forward with their invasion of South Vietnam, and other countries of Southeast Asia are in Soviet Russia and Communist China. To put it another way, Hanoi is but one arm in a many-pronged thrust by international communism to achieve world domination.

World communism has used Vietnam as a means of weakening the United States internally, and of weakening its prestige abroad. The Vietnam war has put tremendous strains on the United States economy, and has divided the country as it has not been since the Civil War. No other war in United States history has done more to sap that nation's pride, power and spirit.

Since 1917, communism has been responsible for the deaths of between 95 and 147 million people. In the process, one-third of the world has become communist. The cease-fire in Vietnam could become total tomorrow if Russia and Communist China gave the word. But is it realistic to expect communist leaders to quit now, with only one-third of their goal achieved? Does a revolutionary government such as that of North Vietnam fight for a quarter of a century, sacrificing the lives of a million men, and then give up because of a piece of paper?

We must not forget that the North Vietnamese delegates to the Paris peace talks always travelled by way of Peking and Moscow, where apparently they were briefed on procedures before sitting down at the conference table. The expectation, therefore, that an honourable cease-fire can be negotiated which will result in a lasting peace seems to me to be wishful thinking. The former Secretary of State, Dean Acheson, summed it up neatly when he said:

> Negotiation today means war carried on by some other means, and does not mean bargaining between parties both wanting to reach agreement.

Despite the disputes and differences between the two communist giants, Russia and China, there is no evidence that they have abandoned their goal of world domination and no evidence, either, that Asian communists have abandoned their objective of extending control over all Southeast Asia. The presence of North Vietnam forces in Laos and Cambodia bears witness to their determination to achieve this objective.

The shooting down of two ICCS helicopters, killing nine ICCS personnel, including one Canadian, Captain C. E. Laviolette, and numerous subsequent similar incidents, indicate that the Viet Cong are not interested in a cease-fire at the present time and will not be interested until they are in a position to take advantage of it.

Another reason for my doubts is that I cannot see any common basis of trust or confidence on which any binding agreement can be worked out between communist and non-communist nations. They are motivated only by what serves their national interest at any given time. To non-communist nations—even non-Christian nations—some things are sacred. To communist nations, nothing is sacred. Non-communist nations, particularly Christian nations, base their agreements on certain principles such as truth, honour and justice, which are rooted in spiritual values which flow logically from a belief in God. Communists do not believe in God, therefore they recognize no spiritual values. To them, truth, honour and justice means merely any word or action that will serve their particular purpose at any particular time, and on the basis of their philosophy that is perfectly logical. For that reason the signing of an agreement to them means something very different from what it means to us, and we should keep that in mind. This very same situation exists also within the ICCS itself.

The tragic death of Captain Laviolette increased the pressure upon the Government of Canada to withdraw from the ICCS. That is understandable, but since Canada has agreed to stay on for a certain definite period, it is right that we should strive to keep our word and set a good example to the other members of the Vietnamese authorities as well. There was the possibility also that the shock waves generated around the world by the death of these gallant soldiers—who, after all, were there only in the cause of peace—might well cause the warring factions in Vietnam to pause and consider whether it might not be in their best interests to give the ICCS a chance to work. That, however, was a vain hope because the past three months have proved that there is no cease-fire to supervise, and not only is there not going to be a cease-fire, but the ICCS itself has divided along ideological lines and therefore cannot effectively perform the functions for which it was created.

● (1420)

Charges of bad faith no doubt can be levelled at the South Vietnam government and possibly at the United States as well, and no doubt evidence can be found to support these contentions. However, the overriding fact to be kept in mind is that South Vietnam did not attack North Vietnam. It was North Vietnam that was the aggressor. The intervention of the armed forces of North Vietnam was carried out at first under cover, with concealment and subterfuge, and during that period Hanoi denied that any of their forces were fighting in South Vietnam even though members of their ground troops were being captured almost every day. Then, you must remember, they removed all doubts about their intervention when they openly crossed the demilitarized zone in full force with tanks and artillery. By that action they confirmed what every intelligent person knew all the time, namely, that their forces were intervening on the Viet Cong side in the South Vietnam civil war and, indeed, they were the aggressors.

The fact that there is no mention of North Vietnam troops in the Paris Agreement, or at least in that part of it which Senator Cameron put on the record in his introductory speech on March 28, 1973, is the third reason for my lack of optimism about any progress being made towards a cease-fire that will lead to any permanent peace settlement.

If you will refer to page 419 of Senate *Hansard* of that date you will see that Article 5 of Chapter II provides:

> Within sixty days of the signing of this Agreement (the Paris Agreement) there will be a total withdrawal from South Vietnam of troops, military advisers and military personnel, including technical military personnel and military personnel associated with the pacification program, armaments, munitions and war material of the United States and those of the other foreign countries mentioned in Article 3(a).

Article 3(a) of Chapter II on page 418 of *Hansard* reads as follows:

> As soon as the ceasefire goes into effect:
>
> (a) The United States forces and those of other foreign countries allied with the United States and the Republic of Vietnam shall remain in place pending the implementation of the plan of troop withdrawal.

It will be seen, therefore, that there is no mention of North Vietnam troops in this clause of the agreement which governs the withdrawal of forces. Why is this? Is it evidence of bad faith? Is it evidence that the agreement was only a subterfuge not meant to work anyway? When one studies the wording of the agreement itself it is not difficult to arrive at that conclusion.

Chapter II, Article 2, states:

> A ceasefire shall be observed throughout South Vietnam as of 2400 hours G.M.T. on January 27, 1973.

This article goes on to say:

> At the same hour, the United States will stop all its military activities against the territory of the Democratic Republic of Vietnam by ground, air and naval forces wherever they may be based—

But you must note that this same clause says nothing about the North Vietnam force stopping military activities against South Vietnam.

It should be noted also that Article 5 requires U.S. and allied troops to be withdrawn "within sixty days of the signing of this Agreement"—that is, the Paris Agreement signed on January 27, 1973. It is not conditional on the cease-fire going into effect.

Chapter I, Article 1, states:

> —the United States and all other countries shall respect the independence, sovereignty, unity and territorial integrity of Vietnam as recognized by the 1954 Geneva Agreement on Vietnam.

But if we turn to Article 15 on page 419 of *Hansard* we find that in paragraph (a) the military demarcation line between the two zones at the 17th parallel is only provisional, and not a political or territorial boundary as provided for in paragraph 6 of the final declaration of the 1954 Geneva Conference.

On the other hand, Chapter II, Article 3(b) states:

> The armed forces of the two South Vietnamese parties shall remain in place.

It appears then that the only territory referred to in Article 1 whose independence, sovereignty and unity are to be respected are those areas which were under the control of the South Vietnam forces and the Viet Cong forces respectively at the time the cease-fire went into effect, and not at the time when the Paris Agreement was signed.

It will be seen, therefore, that the best that can be said about this agreement is that it was a very vague document and totally inadequate as the framework for any cease-fire control and supervisory operation. The question arises, was it deliberately worded this way to enable the withdrawal of U.S. forces but at the same time to be unworkable as far as the cease-fire is concerned? If the Paris Agreement is a sham, as events seem to indicate, then it follows that the ICCS is faced not only with an impossible task but with one that was deliberately framed from the very beginning to be impossible of realization because it embodies the communist myth that no North Vietnam forces were present in South Vietnam.

A recent editorial in the *Economist* makes this point in the following words:

> But it is not the Viet Cong who make policy, but the men in Hanoi who still refuse to admit that their soldiers have ever set forth across the demilitarized zone.
>
> By continuing to make out that the 145,000 North Vietnamese troops who were left in South Vietnam when the cease-fire was signed on January 28th do not exist, and that the 30,000 more who have gone south to join them since then do not exist either, the Communists have erected an almost insuperable stumbling block to any permanent settlement in Vietnam.

The U.S. forces have now been withdrawn in accordance with the agreement, the U.S. prisoners have now been released in accordance with the agreement, and the next step would appear to be the withdrawal of North Vietnam forces, although, as far as I can see, this is not required by the terms of the agreement. This is absolutely essential if hostilities are not to be resumed.

Honourable senators will recall that on January 16 I placed on record a press release signed by two members of the House of Commons, Ralph Stewart, M.P. for Cochrane, and Arnold Peters, M.P. for Timiskaming, and also by Senator Yuzyk and myself. That statement which appears on pages 54 and 55 of *Hansard* declares that what we desire is peace—real and lasting peace—for the Vietnamese people as a whole, and to bring about such a peace we urged the Government of Canada to rally the peace-loving nations of the world to join with Canada in an appeal to North Vietnam to accept the verdict of the majority of the South Vietnamese people as expressed in a free and properly supervised vote.

The statement also expressed the hope that North and South Vietnam might be encouraged by the example set by North and South Korea in accepting each other as they are now, and working towards the day when they can come together as a confederation or some other form of working unity.

● (1430)

Article 9 of chapter VI of the Paris Agreement provides for self-determination of the South Vietnamese people through genuinely free and democratic general elections under international supervision. Article 15 provides for the reunification of Vietnam to be carried out:

> —step by step through peaceful means on the basis of discussions and agreements between North and South Vietnam, without coercion or annexation by either party, and without foreign interference—

I think the whole world breathed a sigh of relief and thankfulness when a cease-fire, fragile though it was, descended on Vietnam. The United States signed the peace agreement, and the Soviet Union and China both welcomed it. There is hardly a world issue on which these three powers agree, but they did express unity for peace in Vietnam.

Separate pledges were also given by Hanoi, Saigon and by the Provisional Revolutionary Government to adhere to that agreement. Hanoi said at the time: "Today, the 28th January, the war completely ends in both zones of our country." President Thieu of South Vietnam said: "At least it is an end of destruction and death." The PRG, that is the Viet Cong, promised "to perfect peace and improve the livelihood and prosperity of South Vietnam." Vietnam's neighbours, Cambodia and Laos, expressed the hope that peace would also extend to them.

Canada acted in good faith and has made an honest effort to serve on the ICCS, even though her original suggestions and safeguards were not adopted. But all parties have broken their pledges to the agreement they signed at Paris on January 28 last. Deliberately or otherwise, the agreement itself is full of defects, thereby facing the ICCS with an impossible task. There is no indication of any willingness towards a cease-fire or for a peaceful settlement. The ICCS as a body has divided along ideological lines perpetuating the same conditions that rendered the old ICSC useless. Under these circumstances, I feel that unless a dramatic change for the better occurs in the next week or two, if Canada is to retain any credibility at all, we have little alternative but to withdraw from the ICCS when our commitment expires at the end of June.

The Vietnam war is one more proof that an idea or an ideology cannot be overcome with bullets. An idea can be conquered only by a superior idea. We have that superior idea—democracy based on the Fatherhood of God and the brotherhood of man. The great tragedy is that all this

waste of thousands of precious human lives and immeasurable quantities of material wealth, which could be used for the betterment of mankind, could largely be avoided if we in the West had the guts and the commitment to live out our idea in its fullest dimension, and demonstrate to the world an example of inspired democracy.

On motion of Senator Lapointe, debate adjourned.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Hicks calling the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.—(Honourable Senator Cameron).

Hon. Paul Martin: Honourable senators, I beg leave to resume the debate, as Senator Cameron does not wish to do so.

The Hon. the Speaker: Is it agreed, honourable senators, that the Honourable Senator Martin should speak now instead of Honourable Senator Cameron?

Hon. Senators: Agreed.

Hon. Mr. Martin: Honourable senators, the inquiry concerning federal support for post-secondary education which was initiated by Senator Hicks on February 14 in this house was timely, and is an important subject for consideration by the Senate of Canada. I regret that I am replying, or speaking on this inquiry, so many weeks after Senator Hicks first brought this matter to our attention, but I did wish to give it the consideration which this important subject deserves. This is the reason for my late participation.

I am confident that Senator Hicks' speech was timely, and that the speeches of other senators have been read with great care by those concerned with the financing of post-secondary education in Canada. I was much impressed by Senator Hicks' speech. It was not the first speech he has made in this house that has impressed me, and I am sure that the presence in the Senate of a former Premier of a province and a man who, although a senator, continues to be the president of an important university in Canada, is a recognition of what many in this house have urged the Senate to become. The Senate should be as widely representative as possible of national opinion and occupation.

I should say that since Senator Hicks introduced this inquiry there has been a conference of provincial ministers of education and the Secretary of State of Canada. On the thirtieth of this month the first ministers are to meet, when some aspects of the problem under discussion may be reviewed. Many individuals and organizations in Canada are concerned with the problem of financing post-secondary education, not only for the continuation of quality education in Canada, but also with regard to the role which the federal government assumes in what is considered under the Constitution to be a provincial matter.

There is then, on the one hand, the desire to build more solidly the educational institutions of higher learning which we now possess, spurred undoubtedly by the knowledge that the advance of our society—the advance of society in general—has become more and more a race, as Arnold Toynbee said, between education and catastrophe. On the other hand, there is the constitutional dilemma of federal government intervention in matters which the British North America Act places in the hands of the provinces. Clearly, between the thought of Senator Hicks and that of the Honourable Henri Courtemanche, a former Secretary of State, who declared in 1951, in the other place, that "the Province of Quebec is opposed to this subsidizing of universities," there is a division over federal government entry into the field of education.

I point to this gulf in our national thought, honourable senators, not with the intention of provoking controversy, but of demonstrating how wide that gulf is between those who seek to revert to prior 1967-68 federal support to universities, and those who just as firmly believe that it should remain a provincially dominated matter. I am certainly not able, today, to bridge that gulf—to reconcile the opposing sides in this constitutional matter. I must say, however, that the eastern provincial governments did not see the necessity prior to World War II to enter significantly into the field of financing post-secondary education, and while hindsight tells us that this may have been shortsighted, it neither discredits provincial interest in education prior to that time, nor detracts from their right to involve themselves today.

● (1440)

In 1966, at the Conference on Financing Higher Education, the late Prime Minister Pearson stated the federal government's position in these terms:

> Education is, under our constitution, a matter of provincial jurisdiction. The federal government does not dispute this or wish in any way to do so. At the same time, education is obviously a matter of profound importance to the economic and social growth of the country as a whole. This is particularly true of higher education. Apart altogether from the general interest in fostering equality of opportunity for Canadians, wherever they may live or wherever they may be brought up, the federal government has specific and particular responsibilities to which higher education is relevant. While education itself is provincial, the federal government accepts primary responsibility for employment and economic activity generally in the country. We recognize that provincial governments share our concern in these matters and pursue these common aims in the conduct of their own affairs. It is, however, the responsibility of the federal government to devise and apply national policies and measures that are necessary to ensure that the economy of Canada will continue to expand and will become increasingly productive, in order that there may be full employment and an increasing level of prosperity for all our citizens. The preparation of our young people for productive participation in the

labour force of the country is a matter of vital concern to all Canadians. We have also to keep in mind that young people of a particular province do not necessarily receive their education and training in their home province, and that people, after graduation, do not necessarily live out their lives and take up employment in the province where they received their education. These facts affect the burden of costs that falls upon the different provinces.

While Mr. Pearson recognized the limitations of the federal government, he also recognized the duty of the federal government to create policies and take measures that would ensure the continuing well-being of the nation at its very foundation.

Our need for qualified men and women has created an increased enrolment in post-secondary education, and the strain upon the budgets of the various governments concerned can be appreciated by the statistical growth in student enrolment alone. In 1939 there were perhaps 35,000 full-time students in Canadian universities. It is estimated that the number of full and part-time students enrolled in post-secondary institutions by 1973-74 will reach almost the one million mark.

Had the federal government neglected its national responsibility in the past, we would now be faced with an acute shortage of professional manpower—engineers, scientists, doctors and, perhaps most important of all, professors, whose duty it is to train the needed expertise on which the country relies.

Senator Hicks has discussed the events which led, in 1951, to the participation of the federal government in sharing the costs of operating our universities. This was done, he indicated, by a system of direct grants by the government to the institutions. Commencing in 1951-52, at 50 cents per head of provincial population, this figure rose in 1956-57 to $1; in 1958-59 to $1.50; in 1962-63 to $2; and, finally, in 1966-67 to $5 per capita. Viewed in terms of cash payments, grants under this arrangement rose from $7 million to $99 million, and represented an increase from 12 per cent to 17 per cent of the operating revenues of the universities.

The federal government assumed its responsibility in 1951, when the Massey Commission made it evident that our universities were facing a financial crisis so grave as to threaten their future usefulness. Grants were distributed at that time to each university proportionately to the student enrolment. The main increase in per capita grants in 1966-67, however, was in response to the report of the Bladen Commission, which was set up in the time of the government of Mr. Diefenbaker. The Bladen Report was sponsored by the Association of Universities and Colleges of Canada, and stressed the financial difficulties facing the universities of Canada.

However much the federal government had been willing to respond to the need of financial support for the growth and development of higher education in 1951, constitutional problems arose—problems which many honourable members here today will recall. Some provinces clearly interpreted the federal government's action as an infringement on their constitutional jurisdiction. Therefore, in 1956, the federal government attempted to resolve the difficulties by transmitting funds not to the universities directly, as it had done in the years preceding, but rather to the universities through the National Conference of Canadian Universities, which subsequently became known as the Association of Universities and Colleges of Canada. But this arrangement too ran into difficulties, until such time as the federal government terminated per capita grants on behalf of Quebec and subsequently increased from 9 per cent to 10 per cent its corporation income tax abatement for that province, under the then existing tax-sharing arrangement. A further adjustment by the federal government assured the province of Quebec that the value of the abatement equalled the per capita grant.

As part of an integrated strategy for the reorientation of all federal fiscal relationships with the provinces, a formula was devised in 1966 known as the Fiscal Arrangements Act, and sometimes called the Pearson Formula, which became effective in 1967-68. It was through this formula that provision was made for a province to receive the amount of $15 per capita of provincial population or 50 per cent of the eligible operating expenditures for post-secondary education.

It was this program which Mr. Pelletier, as Secretary of State, and the Council of Ministers of Education, decided should be continued until the end of the 1973 fiscal year, with a national rate of growth in federal contributions not to exceed 15 per cent per year.

The Pearson Formula provided that for the years from 1968-69 to 1971-72, inclusive, the three Atlantic provinces on the per capita basis, Newfoundland, New Brunswick and Prince Edward Island, would each have the basic 1967-68 transfer increased from year to year at the national rate of increase in eligible post-secondary education operating costs until the 50 per cent basic became more advantageous. Nova Scotia, of course, was treated in the same way as were the other provinces of Canada. The transfer of resources from the federal government to each province consisted of equalized tax abatements and cash adjustments to a total in each province of the federal transfer as calculated on the appropriate per capita or operating cost formula.

● (1450)

This arrangement was developed with a view to two major objectives in federal fiscal relationships with the provinces: First, to give the provincial governments responsibility for spending and taxation decisions under their jurisdiction; second, to place arrangements between the federal and provincial governments more in line with the letter and spirit of the Constitution.

The pursuit of these two objectives resulted in the withdrawal of direct federal support of education via direct grants to universities.

The level of federal government support for post-secondary education still had to be determined, and in this regard the federal government established the guidelines which were presented by Mr. Pearson at the Conference on Financing Higher Education in October 1966, to which I made reference a moment ago. These were considered to be the essential concerns of the federal government at the time, and they are still valid today. I will summarize them briefly: First, to ensure that the economy of Canada will continue to expand; second, to ensure the preparation of

our young people to meet the needs for a highly skilled labour force; third, to meet the demands of Canadians for higher education and learning; fourth, to permit each Canadian the opportunity of developing to the full extent of his capacity; fifth, to assist the provinces in financing the rising costs of post-secondary education; and, sixth, to enable each province to provide an adequate level of public services without resorting to rates of taxation substantially higher than those of other provinces.

The level of federal support was established on the basis of these considerations and, as I say, these considerations remain valid today. I might add, the level of support which the federal government provided, based on those considerations, more than met the recommendations contained in the Bladen Report, to which I referred a few moments ago. Furthermore, the equalization feature associated with the Fiscal Arrangements Act and with the tax abatements marked for post-secondary education, served the objective of basic "economic equality" for the provinces.

The program as established in 1967 was designed to respond to a special set of circumstances. On the whole, I feel that it has been successful in meeting the objectives which were foremost in 1966-67, and the subsequent years. These transfers enabled the provinces and the institutions to undertake an unprecedented expansion, as Senator Hicks himself has acknowledged. During the first five years of the program, the number of full-time students in post-secondary institutions increased by 60 per cent to a total of 497,000, and an estimated 250,000 part-time students were also attending these institutions in 1971.

I have here a table covering these statistics, and I have four more tables that I will be referring to. With leave of the Senate, I would ask to have these tables printed as appendixes to the *Debates of the Senate* of this day.

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

Hon. Senators: Agreed.

Hon. Mr. Martin: Table 1 is entitled "Full-time Enrolment in Post-secondary Institutions, by Province".

Hon. Mr. Connolly (Ottawa West): For what year?

Hon. Mr. Martin: This is for the years from 1966-67 to 1973-74.

(*For Table 1 see appendix "A", p. 612.*)

Hon. Mr. Martin: It is noteworthy that expenditures have risen dramatically since this program was implemented. Between 1967-68 and 1968-69, percentage increases were approximately 25 per cent. Since then this has declined to an estimated 7.9 per cent in 1972-73. It is a measure of the federal government's concern for post-secondary education, however, that its contributions increased substantially each year of the program, and in March 1974 the federal government will have transferred to the provinces an estimated total of some $5.3 billion. This is shown in the second table, entitled "Value of Post-secondary Education Eligible Operating Expenditures and Fiscal Transfers, by Province, 1967-68—1973-74."

(*For Table 2 see appendix "B", pp. 613-614.*)

Hon. Mr. Martin: While it is believed that the Pearson Formula and its objectives are basically sound, it is obvious that no system can be absolutely flawless. From time to time the program has been subject to criticism by provincial governments and by others concerned with education in this country. For example, some provinces are of the opinion that certain aspects of the program have inhibited innovation and adaptation of educational structures and that the arrangements have created a pressure on their own priorities. It is also apparent that certain inequities have developed, as Senator Hicks and others have argued.

Some here in this chamber, and some other organizations, it seems, see the general result of the arrangement which has been in effect since 1967 as contributing to the existing inequities in educational standards and facilities in the different parts of Canada, and which may have long-term implications for the achievement of educational excellence across the country.

The federal government has given serious consideration to ways and means of removing the apparent shortcomings and of introducing improvements to ensure adequate financing of post-secondary education in Canada which, it is felt, would be more satisfactory from both the provincial and federal point of view. It is in the spirit of national equity that the federal government has made proposals to the provinces for changes in the Pearson Formula, proposals which will assist, it believes, in meeting the generally accepted desire for regional equality as well as equal opportunity in education for all Canadians.

In the light of these considerations, the federal government at the recently concluded Federal-Provincial Conference of Ministers of Finance, Health and Education, held just after Easter, made the following proposal: first, that the present program of fiscal transfers be converted into a system of provincial per capital entitlements based on the size of the 18-24 age group in each province. This is shown in the third table, entitled "Population Aged 18-24 by Province, 1966-1984".

(*For Table 3 see appendix "C", p. 615.*)

● (1500)

Hon. Mr. Martin: The federal government proposed, secondly, that these entitlements be escalated at seven per cent per year, subject to a levelling provision designed to bring all provincial per capita entitlements to parity over a ten-year period; thirdly, that entitlements continue to be met through a combination of the present tax points relating to post-secondary education and adjustment payments; and finally, that the conversion formula become effective, commencing April 1, 1974, for a period of five years.

The table concerned is entitled "Estimated Total and Per Capita Values of Transfers to Provinces under the Proposed Conversion Formula, 1974-75 to 1978-79."

(*For Table 4 see appendix "D", p. 616.*)

Hon. Mr. Martin: Senator Hicks spoke of the inequities of the Pearson formula. We acknowledge that under that program the most generous federal support for post-secondary education went to those provinces which spent most in support of higher education. But we have moved to rectify this situation under the present proposals, and I must also point out that this new formula is not a share-cost formula; the funds to be allocated to the provinces are untied.

The proposed formula is based upon the actual federal operating transfers for the fiscal year 1973-74, calculated according to Part VI of the Federal Provincial Agreement of 1972. This is used to establish the basic per capita entitlement, and will be escalated by seven per cent, levelled and multiplied by the number of 18- to 23-year olds. Under this levelling provision, per capita entitlements of each province would be gradually adjusted toward the national average value, with one-tenth of the disparity eliminated each year.

The final table covers this, and is entitled "Illustration of the Working of the Levelling Formula."

(*For Table 5 see appendix "E", p. 617.*)

Hon. Mr. Martin: On the basis of estimates at the present time, it is not unlikely that the federal government will transfer to the provinces an amount in excess of $1 billion in the first year of operation of this new formula. According to the calculations of the government, escalation by seven per cent per year, multiplied by the number of the population between the ages of 18 and 24, will produce an average national yearly increase in federal contributions during the next five years of some 9.4 per cent. If one compares this with the latest estimate of a 7.9 per cent increase in eligible operating expenditures on post-secondary education between 1972-73 and 1973-74, it is an overall increase of 1.5 per cent in grants to post-secondary education in Canada.

The government is aware of and accepts the continued importance of adequate financing of post-secondary education. It does so in order to ensure all Canadians, in every province, access to facilities of equal excellence. It is in this spirit that we must view the action of the government, not in the more narrow sense of transgressing provincial jurisdiction.

While the government seeks to ensure quality standards, all universities do not and cannot offer access to similar instruction. It goes without saying that one university may be better prepared than another to offer aerospace law, to give but one example. In this case the federal government must encourage the student who wishes to take such a course to do so. Access to knowledge for those qualified must not be hindered.

Mobility is one of the pillars of our free society. That one may, without bureaucratic hindrance, without permission having to be obtained from federal, provincial or municipal governments, move from one dwelling to another, from one street, one city or province to another, is taken for granted in Canada. This is not the case in many other countries. We do not seek to restrict the mobility of people throughout our nation; but neither should we restrict a student from, say, the Atlantic provinces, from attending, let us say, a university on the West Coast, or vice versa. If universities, in no matter what province, limit the number of places that may be held by residents of another province, as Senator Hicks pointed out, are we not condoning, by implication at least, the establishment of a quota system?

The federal government has the obligation not only to ensure freedom of movement, but also to encourage citizens in Canada to fulfil their educational potential. We do not, nor do the provinces, discourage persons unemployed in one province from taking employment in another. If we were to maintain a similar attitude toward movement for occupational reasons as Senator Hicks suggested in his very impressive speech we do toward educational movement, we would soon be placing a limit upon freedom of movement, using as the excuse the rate of unemployment. Following this line of reasoning to its conclusion, it would not be long before a Canadian would be prevented from moving from the country to the city or vice versa. In this light, it would also follow that those living in rural areas would have to undergo their post-secondary education there because of a quota system applied to prevent them from attending universities in the city.

It seems to me that the very concept of a university is the antithesis of this excluding principle. The word "university" is defined in terms of a "whole body," a "corporate body," having to do with the "branches of learning." It is a word which denotes the encompassment of the resources of teaching and study. These corporate bodies of learning and knowledge should be spearheading the liberalization of education, of breaking down the barriers to learning and achievement of individual potential, without reference to regional interests and without discrimination. The alternative, honourable senators, is intellectual ghettoism.

Several of those who participated in this debate have sought definitions of the role of universities in the course of this inquiry. I commend these efforts, since one tends to lose sight of the objective when discussing the financing of post-secondary education. While I do not endorse the recommendations adopted by the Canadian Association of University Teachers on October 21 last year, I do recommend to you their delineation of the role of the university in our society, particularly paragraphs 4 through 9, inclusive, of their brief on "Federal Support of Universities and Colleges." To put it in its simplest and most generalized form, the distinctive functions of the universities:

> ... are the advancement of learning through the increase of knowledge and of critical understanding of man, society and the universe.

We must give our continued support to such an idea, and we do.

● (1510)

The government, while recognizing its obligation to assist universities, also wishes to assure to each Canadian, who meets the necessary requirements, quality post-secondary educational facilities and access to them. In addition to the general transfer of resources by the federal government to the provinces in support of post-secondary education, the federal government in this respect has had certain specific programs. For example, in 1957, the Canada Council was provided with an endowment of $50 million to facilitate the capital expansion of universities. The last grant applications under this program were received in 1967 and by the end of the program $62 million had been paid out. The Canada Student Loans Plan was established in 1964, to permit students encountering financial difficulties to attend post-secondary educational institutions. Over the 1964-1971 period, more than 611,000 students received assistance, with the total value of loans negotiated amounting to $380.2 million. Under this program, any province not wishing to participate receives an

alternative payment, roughly equivalent to what it would have received had it participated. Quebec was the only province which chose not to participate. In addition to the loan program, the federal government has provided grants to students for study purposes. In 1972-73, such grants amounted to about $25 million, with the highest share being borne by the Canada Council, the National Research Council and the Medical Research Council. The federal government also supports research in educational institutions. In the early 1970s, such support totalled about $135 million annually.

So I think it can be seen that the federal government's contribution to post-secondary education is indeed considerable.

I feel that much of the responsibility for fulfilment of the role of the university, and for the establishment of national educational standards, lies with the universities themselves. I realize that universities are first concerned with serving the needs of areas in which they are located. However, I think it is desirable and entirely plausible for the universities to serve the needs of the country as a whole, and to serve Canada on the international scene as well.

The vital contribution that is made by our universities and supported by the government in the international field is an aspect which perhaps, in the consideration of this whole problem, is sometimes greatly ignored. By continuing to encourage students from developing nations to attend Canadian universities, we serve the desire of their countries to become established as independent and viable nations in their own right, by sharing with them the skills and the hardware of higher education. In addition, the federal government, through the Canadian International Development Agency, contracts with Canadian universities to undertake research projects related to developing nations, either in Canada or abroad. In 1971 contracts were negotiated with five Canadian universities for a total of $2,886,600. The University of Windsor, I am happy to say, has had two projects—one in Zambia and one in Guyana; the University of Alberta had one in Kenya; the University of Saskatchewan, one in Uganda; Laval University had one in the Congo and the University of Ottawa had one in Central America.

By supporting and encouraging more programs of Canadians studies, whether in the universities of the United States and Europe or elsewhere, the federal government aids not only the interest of education, but the interest of Canada as well.

In the past few decades, the average level of education has risen in Canada very considerably, and we can be justly proud of the large numbers of highly trained and well-educated people who have graduated from Canadian institutions of higher learning in all of our ten provinces.

The economic prosperity of Canada, the well-being of its citizens, will be accountable to the number of qualified persons we can draw upon for the skill and technology to develop the resources of this nation—both natural resources and human resources—to their fullest potential.

This subject is one that is not often discussed in Parliament. It is one of the vital questions facing the younger generation of Canada and our post-secondary institutions. We face it within the framework of the Constitution; but within those limits I think this review of the federal contribution and the present position of the federal government, indicates that its participation in this matter is indeed considerable.

[Hon. Mr. Martin.]

Once again I say that Senator Hicks—who could not be here because of convocations at his own university, but who knew that I was going to speak today—has made a valuable contribution. I know that his participation and that of Senators Graham and Forsey was constructive. They may justly feel that they have taken part in a debate which we all recognize in the Senate involves a question of the greatest importance.

Hon. Mr. Connolly: Honourable senators, may I ask the leader a question? Before I do, I should like to say that we are all most indebted to him for his very comprehensive statement on the standard of federal participation in the problem of financing post-secondary education. The leader has done a splendid piece of work this afternoon and the record is an excellent one for this house and indeed for Parliament.

The answer to the question that I propose to ask may be contained in the material he has placed on *Hansard*; if it is not and if he has not the answer available, perhaps it could be secured at a later time. I would like to know what percentage of the cost of post-secondary education these federal transfers cover. In other words, what is the total cost of post-secondary education in Canada, what percentage is borne by the federal government, and what percentage is borne by the provinces?

Hon. Mr. Martin: Those figures are available, but I do not have them before me. Some of them will be available from a deduction to be made on the basis of two of the tables that I have given. I will look at the tables. I will treat this as a question and on Tuesday I will be able, I hope, to give the answer on Orders of the Day.

Hon. Mr. Forsey: Honourable senators, would the leader allow me to ask three very brief questions? First of all, he made several references to the constitutional position; does he attach any importance to the words "in and for each province" at the beginning of section 93 of the British North America Act? Secondly, can he tell us what involvement there is—in the discussions which are taking place, and which presumably will be taking place later this month in the conference of prime ministers and premiers—what involvement there is of the Association of Universities and Colleges of Canada?

Thirdly, the same question as regards the involvement of the Canadian Association of University Teachers—or even perhaps any university student organizations. I am not sure whether there is a national organization of Canadian university students now. It has undergone various sea-changes. I am not sure whether it has survived the last of these changes or not. If the leader could give us some information on this point it would be a very useful addition to the extraordinarily valuable presentation which he has made to us.

● (1520)

Hon. Mr. Martin: The addition of the phrase in section 93, of "in and for each province" does not, in my mind, alter what I said to be the constitutional position and what

Mr. Pearson understood the constitutional position to be when he outlined the role of the federal government under section 91, and of the provinces under sections 92 and 93, of the British North America Act.

Now, Dr. Corry, I think, has argued that the phrase "in and for each province" does provide an escape for the federal government in respect of the provision in the B.N.A Act which provides for exclusivity of jurisdiction on the part of the provinces.

I simply can say that I do not agree with the submission which Dr. Corry has made. I would not want to pit my constitutional knowledge against that of Senator Forsey, but since he has asked the question I state what I believe to be the constitutional position.

The conference on May 30 is a conference of first ministers. This question is not the main purpose of the conference, but it is open to the provinces, and undoubtedly some of them will take advantage of the meeting to discuss the recent proposals which were laid before the ministers of education by the Secretary of State just after Easter. At that time the federal proposal did not seem to be acceptable to the provinces. The May 30 conference is of first ministers, with other ministers attending as members of the various delegations. I do not believe there will be any involvement by the universities themselves or by teachers' organizations or by university professors. It is a conference of governments.

Hon. Mr. Forsey: I quite understood that, but what I really meant was had there been any involvement before these proposals were presented, and if they come up again is there likely to be any discussion with the representatives of the Association of Universities and Colleges or the Canadian Association of University Teachers? I wondered whether that was in mind or whether the government had been going ahead simply discussing the matter with its own experts in the field, possibly with provincial experts as well, or whether it had involved these particular organizations.

Hon. Mr. Martin: No. I think I can say that there were talks between the Secretary of State and representatives of the universities. I hope I am not guilty of an indiscretion when I say that I believe Senator Hicks himself, together with the representative or representatives, I forget which, of the university body of which Mr. McKay is the Director, had discussions with the Secretary of State. I do know that the former president of the University of British Columbia, who has a corresponding position for the universities in Ontario, has had some discussion with federal officials as well. I presume that there have been discussions between the Secretary of State and his officials and other bodies concerned. I cannot be as specific on that point.

Hon. Mr. Grosart: I should like to ask the Leader of the Government if, when he is obtaining the figures asked for by Senator Connolly, he would also obtain figures showing the total percentage of federal expenditures that are channelled to education directly and indirectly. It is a figure which has been in some dispute, depending on what the components might be, but it would be an important figure to have. In addition to that, could we also have the total percentage of provincial expenditures so that we can see to what extent this federal initiative in the whole field of education, at all levels including that of adult education, has actually equalized educational opportunity across the country?

Hon. Mr. Martin: I will be very glad to see that that is done, and I will also try to report on Tuesday or Wednesday. I am a little disturbed about one aspect of the question, though. Senator Grosart referred to the extent of federal assistance directly or indirectly.

Hon. Mr. Grosart: Yes.

Hon. Mr. Martin: The adverb "directly" causes me some constitutional concern, but I just express it now without entering into any argument.

Hon. Mr. Grosart: Perhaps the Leader of the Government did not hear that I added the words "adult education". It is sometimes called by other words. We have gone through this in our constitutional process and sometimes said that education above a certain level is not really education and is therefore in the federal field. The leader will understand that I am taking in the whole area of manpower training, from the cradle to the grave.

Hon. Mr. Martin: I understand. I will do the best I can.

On motion of Senator Molgat, for Senator Rowe, debate adjourned.

VIETNAM

CEASE-FIRE AGREEMENTS—CANADA'S ROLE IN INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—DEBATE CONTINUED

The Senate resumed from Tuesday, February 13, the adjourned debate on the motion of Senator Martin, that this house welcomes the conclusion of the Agreements of ending the war and restoring peace in Vietnam and notes the provision for an International Commission of Control and Supervision as part of the cease-fire arrangements, in which Canada has agreed to participate for the initial period of 60 days as provided for in the Note, dated January 27, 1973, from the Secretary of State for External Affairs to the four Parties to the Vietnam cease-fire.

Hon. Allister Grosart: Honourable senators, I can say very briefly that it is not my intention to make a speech at this time on this subject. When I adjourned the debate I had certain views which were that it was a mistake for us to become involved. I would also have said at that time that I appreciated the reasons why the government felt compelled to respond to the request to participate, because of our background in this area, but I did feel at the time that it was a mistake. If I were to make a speech now it would merely be to say, "I told you so," and that would be hindsight. I would prefer to be on the record as having made that statement as foresight rather than hindsight. That is all I have to say on the debate. I am not sure whether anyone else wishes to participate. I believe there are senators who do, and it might be wise for the deputy leader to adjourn the debate in case this is so.

On motion of Senator Molgat, debate adjourned.

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

APPENDIX "A"

(*See p. 608*)

TABLE 1

FULL-TIME ENROLMENT IN POST-SECONDARY INSTITUTIONS, BY PROVINCE

1966–67—1973–74

Province	1966–67	1967–68	1968–69	1969–70	1970–71	1971–72[P]	1972–73[E]	1973–74[E]
Newfoundland—								
Total	4,997	5,679	6,144	6,600	7,798	8,570	8,370	8,500
Univ.	3,893	4,473	4,782	5,157	6,378			
Non-Univ.	1,104	1,206	1,362	1,443	1,420			
Prince Edward Island—								
Total	1,334	1,560	1,741	1,839	2,105	2,320	2,350	2,450
Univ.	1,139	1,369	1,555	1,566	1,755			
Non-Univ.	195	191	186	273	350			
Nova Scotia—								
Total	11,908	12,746	14,473	16,674	18,481	19,060	19,090	19,550
Univ.	9,711	10,403	11,747	13,956	15,626			
Non-Univ.	2,197	2,343	2,726	2,718	2,855			
New Brunswick—								
Total	9,530	10,558	11,742	12,363	13,278	13,220	13,000	13,100
Univ.	6,862	7,927	8,961	9,608	10,580			
Non-Univ.	2,668	2,631	2,781	2,755	2,698			
Quebec—								
Total	108,825	118,283	119,198	128,313	136,489	149,210	151,530	160,580
Univ.	75,070	78,382	64,401	66,830	62,113			
Non-Univ.	33,755	39,901	54,797	61,483	74,376			
Ontario—								
Total	93,887	113,103	137,960	157,787	175,514	183,140	184,860	189,240
Univ.	68,930	79,433	92,932	108,825	131,115			
Non-Univ.	24,957	33,670	45,028	48,962	54,399			
Manitoba—								
Total	14,470	15,684	17,632	19,549	20,318	20,930	20,440	20,910
Univ.	12,389	13,426	15,099	16,597	16,941			
Non-Univ.	2,081	2,258	2,533	2,952	3,377			
Saskatchewan—								
Total	13,441	14,602	15,754	16,845	16,965	17,050	16,480	16,340
Univ.	11,531	12,665	13,833	14,919	14,814			
Non-Univ.	1,910	1,937	1,921	1,926	2,151			
Alberta—								
Total	22,295	26,579	33,340	37,289	40,967	41,520	40,810	41,810
Univ.	16,084	18,696	23,213	26,624	29,524			
Non-Univ.	6,211	7,883	10,127	10,665	11,443			
British Columbia—								
Total	29,853	34,102	37,387	39,629	43,633	41,570	40,980	42,000
Univ.	24,728	26,712	29,320	30,064	30,623			
Non-Univ.	5,125	7,390	8,067	9,565	13,010			
All provinces—								
Total	310,540	352,896	395,371	436,888	475,548	496,600	497,900	514,500
Univ.	230,337	253,486	265,843	294,146	309,469			
Non-Univ.	80,203	99,410	129,528	142,742	166,079			
Total enrolment as percentage of population aged 18–24	14.4	15.6	16.7	17.6	18.4	18.4	17.8	17.9

SOURCE: Statistics Canada

APPENDIX "B"

(*See p. 608*)

TABLE 2

VALUE OF POST-SECONDARY EDUCATION ELIGIBLE OPERATING EXPENDITURES AND FISCAL TRANSFERS, BY PROVINCE, 1967-68—1973-74

	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
Newfoundland							
Oper. exp. ... Millions $	7.8	11.0	14.2	19.1	22.9	28.2	32.1
		(41.2)	(29.8)	(34.4)	(19.6)	(23.0)	(14.1)
Fiscal transfer:							
Total ... Millions $	7.5	9.4	11.6	13.8	15.9	17.7	19.1
Tax points ... Millions $	5.4	6.5	7.5	8.3	9.3	11.3	13.4
Adj. payments ... Millions $	2.1	2.9	4.1	5.5	6.6	6.4	5.7
Per capita ... $	15	19	23	27	30	34	36
Per 18-24 ... $	129	156	186	213	237	255	268
Prince Edward Island							
Oper. exp. ... Millions $	2.1	2.8	3.6	4.7	5.5	6.5	6.2
		(30.6)	(31.1)	(30.7)	(16.0)	(18.7)	(−4.5)
Fiscal transfer:							
Total ... Millions $	1.6	2.0	2.5	3.0	3.5	3.8	4.1
Tax points ... Millions $	0.7	1.4	1.6	1.8	2.0	2.4	2.8
Adj. payments ... Millions $	0.9	0.6	0.9	1.2	1.5	1.4	1.3
Per capita ... $	15	18	23	27	31	34	38
Per 18-24 ... $	140	168	200	229	257	271	286
Nova Scotia							
Oper. exp. ... Millions $	31.8	39.6	49.7	56.4	62.9	67.6	76.5
		(24.6)	(25.6)	(13.4)	(11.5)	(7.5)	(13.2)
Fiscal transfer:							
Total ... Millions $	15.9	19.8	24.9	28.2	31.5	33.8	38.2
Tax points ... Millions $	8.3	9.8	11.4	12.6	13.7	16.9	19.7
Adj. payments ... Millions $	7.6	10.0	13.5	15.6	17.8	16.9	18.5
Per capita ... $	21	26	32	36	40	43	48
Per 18-24 ... $	189	228	272	295	317	334	374
New Brunswick							
Oper. exp. ... Millions $	15.8	20.5	24.5	28.6	35.4	40.0	39.4
		(29.4)	(19.7)	(16.7)	(23.8)	(13.0)	(−1.5)
Fiscal transfer:							
Total ... Millions $	9.3	11.6	14.4	17.1	19.7	21.9	23.6
Tax points ... Millions $	6.7	8.0	9.2	10.2	11.2	13.6	15.9
Adj. payments ... Millions $	2.6	3.6	5.2	6.9	8.5	8.3	7.7
Per capita ... $	15	19	23	27	31	34	37
Per 18-24 ... $	133	159	188	216	236	256	273
Quebec							
Oper. exp. ... Millions $	254.8	301.1	369.4	421.2	512.8	610.6	653.5
		(18.2)	(22.7)	(14.0)	(21.7)	(19.1)	(7.0)
Fiscal transfer:							
Total ... Millions $	127.4	150.5	184.7	210.6	256.4	305.3	326.7
Tax points ... Millions $	62.7	75.1	87.2	96.4	107.0	130.2	150.6
Adj. payments ... Millions $	64.7	75.4	97.5	114.2	149.4	175.1	176.1
Per capita ... $	22	25	31	35	43	50	53
Per 18-24 ... $	179	206	246	273	325	376	392
Ontario							
Oper. exp. ... Millions $	297.3	394.4	497.2	598.4	670.0	743.0	802.9
		(32.6)	(26.1)	(20.4)	(11.9)	(10.9)	(8.1)
Fiscal transfer:							
Total ... Millions $	148.6	197.2	248.6	299.2	335.0	371.5	401.4
Tax points ... Millions $	97.3	119.0	140.1	156.1	175.4	213.8	246.3
Adj. payments ... Millions $	51.3	78.2	108.5	143.1	159.6	157.7	155.1
Per capita ... $	21	27	34	40	43	47	51
Per 18-24 ... $	196	244	290	331	351	376	394

APPENDIX "B"—Concluded

TABLE 2—Concluded

VALUE OF POST-SECONDARY EDUCATION ELIGIBLE OPERATING EXPENDITURES AND FISCAL TRANSFERS, BY PROVINCE, 1967-68—1973-74

	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
Manitoba							
Oper. exp.....Millions $	36.3	46.4	54.3	66.9	73.4	80.3	84.7
		(27.9)	(17.1)	(23.1)	(9.7)	(9.4)	(5.5)
Fiscal transfer:							
Total.....Millions $	18.2	23.2	27.2	33.4	36.7	40.1	42.3
Tax points.....Millions $	10.4	12.5	14.4	15.9	17.5	21.3	25.0
Adj. payments.....Millions $	7.8	10.7	12.8	17.5	19.2	18.8	17.3
Per capita..... $	19	24	28	34	37	40	42
Per 18-24..... $	174	213	239	282	298	317	328
Saskatchewan							
Oper. exp.....Millions $	40.3	45.7	54.9	60.9	65.3	67.3	78.0
		(13.4)	(20.2)	(10.8)	(7.2)	(3.2)	(15.8)
Fiscal transfer:							
Total.....Millions $	20.1	22.8	27.4	30.4	32.6	33.6	39.0
Tax points.....Millions $	7.4	12.1	13.8	15.0	16.4	19.7	22.3
Adj. payments.....Millions $	12.8	10.7	13.6	15.4	16.2	13.9	16.7
Per capita..... $	21	24	29	32	35	36	42
Per 18-24..... $	208	231	272	296	311	305	339
Alberta							
Oper. exp.....Millions $	79.5	97.7	123.0	157.9	177.4	175.7	187.9
		(22.9)	(25.9)	(28.3)	(12.3)	(−1.0)	(6.9)
Fiscal transfer:							
Total.....Millions $	39.7	48.8	61.5	79.0	88.7	87.8	93.9
Tax points.....Millions $	15.8	19.0	22.7	25.6	27.9	34.8	40.2
Adj. payments.....Millions $	23.9	29.8	38.8	53.4	60.8	53.0	53.7
Per capita..... $	27	32	39	50	54	53	56
Per 18-24..... $	248	284	337	409	434	412	424
British Columbia							
Oper. exp.....Millions $	67.8	82.8	97.9	115.7	138.2	142.6	156.1
		(22.1)	(18.3)	(18.2)	(19.4)	(3.2)	(9.5)
Fiscal transfer:							
Total.....Millions $	33.9	41.4	48.9	57.8	69.1	71.3	78.1
Tax points.....Millions $	24.9	30.1	37.1	38.8	45.8	53.0	63.5
Adj. payments.....Millions $	9.0	11.3	11.8	19.0	23.3	18.3	14.6
Per capita..... $	17	21	24	27	32	32	35
Per 18-24..... $	166	189	209	232	262	261	277
All provinces							
Oper. exp.....Millions $	833.4	1,041.8	1,288.9	1,529.9	1,763.8	1,961.8	2,117.4
		(25.0)	(23.7)	(18.7)	(15.3)	(11.2)	(7.9)
Fiscal transfer:							
Total.....Millions $	422.3	526.7	651.7	772.5	889.0	986.8	1,066.6
Tax points.....Millions $	239.7	293.5	345.0	380.8	426.1	516.9	599.7
Adj. payments.....Millions $	182.6	233.2	306.7	391.7	462.9	469.9	466.9
Per capita..... $	21	25	31	36	41	45	48
Per 18-24..... $	187	222	263	298	329	354	371

Figures in brackets are percentage changes from the previous year.

Data on operating expenditures for 1967-68 are final; for 1968-69 they are based on final settlements proposed by the Secretary of State, and for 1969-70 on audited returns or final provincial returns; data for subsequent years are based either on final or interim provincial returns.

SOURCE: Secretary of State

APPENDIX "C"

(*See p. 608*)

TABLE 3

POPULATION AGED 18-24 BY PROVINCE, 1966-1984
('000)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1966	55.8	10.8	80.2	66.3	691.1	711.3	99.8	94.6	150.0	189.7	2,149.6
1967	58.0	11.4	84.0	69.7	710.8	759.7	104.5	96.6	160.0	204.4	2,259.1
1968	60.3	11.9	87.0	73.1	730.5	808.1	109.1	98.7	171.6	219.1	2,369.4
1969	62.5	12.5	91.7	76.5	750.3	856.5	113.8	100.7	182.5	233.9	2,480.9
1970	64.8	13.1	95.6	79.0	770.0	904.9	118.4	102.7	193.3	248.6	2,590.4
1971	67.0	13.6	99.4	83.3	789.7	953.4	123.1	104.7	204.1	263.3	2,701.6
1972	69.4	14.0	101.1	85.4	811.4	986.7	126.5	110.1	213.0	273.1	2,790.8
1973	71.4	14.3	102.2	86.4	834.2	1,017.7	129.1	114.9	221.6	282.0	2,873.9
1974	73.1	14.4	103.1	86.6	857.4	1,046.4	130.8	118.6	229.6	289.9	2,949.8
1975	74.4	14.4	103.9	86.3	879.3	1,072.1	131.9	121.2	236.8	296.8	3,017.2
1976	75.7	14.5	104.8	86.1	898.4	1,093.9	132.7	122.8	243.0	303.0	3,075.0
1977	76.8	14.7	105.3	86.6	914.6	1,121.6	133.8	124.2	250.6	312.2	3,140.5
1978	77.4	14.8	105.6	86.6	928.4	1,149.9	134.6	124.4	257.7	320.5	3,200.0
1979	77.6	14.9	105.8	86.0	939.3	1,175.9	135.0	123.6	263.5	327.0	3,248.7
1980	77.9	14.8	106.0	85.3	946.5	1,196.5	135.0	122.5	267.6	331.0	3,283.1
1981	78.4	14.8	106.3	84.7	949.8	1,209.8	134.8	121.4	269.7	332.5	3,302.3
1982	79.0	14.9	106.1	84.8	947.2	1,224.3	134.9	120.9	272.4	335.4	3,320.0
1983	79.1	14.8	105.1	84.0	937.2	1,231.2	134.3	119.3	273.1	335.6	3,313.8
1984	78.7	14.5	103.2	82.2	918.7	1,226.4	132.6	116.5	271.2	332.5	3,276.5

SOURCE: Derived from 1966 and 1971 Census data, Long Range Economic Planning Branch, Department of Finance.

APPENDIX "D"

(*See p. 608*)

TABLE 4

ESTIMATED TOTAL AND PER CAPITA VALUES OF TRANSFERS TO PROVINCES UNDER THE PROPOSED CONVERSION FORMULA, 1974-75 TO 1978-79

Province		Transfer in Base Year (1973–74)	Transfers Under Proposed Formula				
			1974–75	1975–76	1976–77	1977–78	1978–79
Newfoundland—							
Total	Millions $	19.1	21.7	24.6	27.7	31.1	34.7
Per 18–24	$	267	297	330	366	405	448
Prince Edward Island—							
Total	Millions $	4.1	4.5	5.0	5.5	6.2	6.8
Per 18–24	$	286	315	347	381	420	461
Nova Scotia—							
Total	Millions $	38.2	41.2	44.5	47.9	51.5	55.3
Per 18–24	$	374	400	428	457	489	523
New Brunswick—							
Total	Millions $	23.6	26.3	29.0	32.0	35.5	39.2
Per 18–24	$	274	303	336	371	410	453
Québec—							
Total	Millions $	326.7	357.5	390.3	424.5	460.0	497.1
Per 18–24	$	392	417	444	472	503	535
Ontario—							
Total	Millions $	401.4	439.0	478.5	519.4	566.5	617.9
Per 18–24	$	394	420	446	475	505	537
Manitoba—							
Total	Millions $	42.3	46.5	50.9	55.4	60.6	66.1
Per 18–24	$	328	356	386	418	453	491
Saskatchewan—							
Total	Millions $	39.0	43.5	48.0	52.5	57.4	62.0
Per 18–24	$	339	367	396	428	462	499
Alberta—							
Total	Millions $	93.9	102.8	112.1	121.5	132.4	143.8
Per 18–24	$	424	448	473	500	528	558
British Columbia—							
Total	Millions $	78.1	88.8	100.5	113.3	128.8	145.8
Per 18–24	$	277	306	339	374	413	455
All Provinces—							
Total	Millions $	1,066.6	1,171.9	1,283.2	1,399.8	1,530.0	1,668.6
Per 18–24	$	371	397	425	455	487	521

SOURCE: Secretary of State

APPENDIX "E"

(*See p. 609*)

TABLE 5

ILLUSTRATION OF THE WORKING OF THE LEVELLING FORMULA

Province		Per Capita (18-24) Transfer					
		Base Year	Conversion Proposal				
		1973–74	1974–75	1975–76	1976–77	1977–78	1978–79
Newfoundland	NL	267	286	306	327	350	374
	L	—	297	330	366	405	448
Prince Edward Island	NL	286	306	327	350	375	401
	L	—	315	347	381	420	461
Nova Scotia	NL	374	400	428	458	490	525
	L	—	400	428	457	489	523
New Brunswick	NL	274	293	314	336	359	384
	L	—	303	336	371	410	453
Quebec	NL	392	419	449	480	514	550
	L	—	417	444	472	503	535
Ontario	NL	394	422	451	483	516	553
	L	—	420	446	475	505	537
Manitoba	NL	328	351	376	402	430	460
	L	—	356	386	418	453	491
Saskatchewan	NL	339	363	388	415	444	475
	L	—	367	396	428	462	499
Alberta	NL	424	454	485	519	556	595
	L	—	448	473	500	528	558
British Columbia	NL	277	296	317	339	363	389
	L	—	306	339	374	413	455
Average		371	397	425	455	487	521

Explanation: Two series of data are shown for each province. The series marked NL (non-levelled) consists of the per capita entitlements for the base year and escalated thereafter at a flat rate of 7 per cent per annum. The series marked L (levelled) are the entitlements derived from the non-levelled series through the application of the levelling formula.

The levelling formula eliminates each year one-tenth of the difference between the per capita entitlement of a province and the average entitlement of all provinces combined, as illustrated by these examples:

	Newfoundland	Alberta
First year:		
(a) Non-levelled entitlement	286	454
(b) National average	397	397
(c) Difference between (a) and (b)	111	57
(d) Plus or minus 10% of (c)	11	−6
(e) Total of (a) and (d)	297	448
Second year:		
(a) Non-levelled entitlement	306	485
(b) National average	425	425
(c) Difference between (a) and (b)	119	60
(d) Plus or minus 20% of (c)	24	−12
(e) Total of (a) and (d)	330	473

SOURCE: Secretary of State, April 1973.

25862—40

THE SENATE

Tuesday, May 22, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a booklet entitled "Mineral Policy Objectives for Canada", a statement by federal and provincial Ministers responsible for mineral policy issued at the conclusion of their meetings in Ottawa in April 1973.

Report of the number and amount of Loans to Immigrants made under section 65(1) of the Immigration Act for the fiscal year ended March 31, 1973, pursuant to section 65(6) of the said act, chapter I-2, R.S.C., 1970.

Copies of Terms of Reference of the Canadian Consultative Council on Multiculturalism, together with a list of the Council members and two press releases and a statement by the Minister relating thereto.

Copies of Agenda for the Federal-Provincial Conference of First Ministers to be held May 23-25, 1973.

Copies of a Statement by the Minister of Communications concerning community antenna television and certain action taken by the Public Service Board of Quebec relating thereto.

CAPITAL PUNISHMENT

MURDERS OF POLICE OFFICERS—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, on March 27 last the Honourable Senator Beaubien asked a question in the Senate as follows:

> Honourable senators, in 1962, eleven police officers were murdered. I should like to ask the Acting Leader of the Government how many people were convicted of those crimes, and what has happened since to those convicted. Are they still in prison or have they been paroled? . . . I should like to know if any were hanged, although I doubt it very much.

The Office of the Solicitor General has supplied the following answer to Senator Beaubien's question:

There were convictions in three cases—

> Ronald Turpin was convicted of murdering a Toronto Police officer by the name of Frederick Nash on June 13, 1962. He was executed on December 11, 1962.
>
> Eric Lifton was convicted of murdering two Vancouver law enforcement officers on July 25, 1962. His death sentence was commuted to life emprisonment. He is presently in the Kingston penitentiary complex.

Hon. Mr. Flynn: When was that sentence commuted?

Hon. Mr. Martin: I do not have the precise date.

Hon. Mr. Croll: It must have been in 1962.

Hon. Mr. Martin: I do not have the precise date on which the sentence was commuted. The answer continues:

> Jean Paul Fournel was convicted of non-capital murder in 1962. He is now in a British Columbia penitentiary.
>
> One murder is still unsolved.
>
> In two instances the suspects were killed in a gun fight.
>
> In one case the suspect committed suicide.
>
> In all, seven persons were charged.
>
> Of the seven, three were convicted as stated, three were found unfit to stand trial and one was acquitted.

Hon. Mr. Choquette: Who asked that question?

Hon. Mr. Martin: It was Senator Beaubien's question.

Hon. Mr. Choquette: I am going to ask a similar question. Since we passed that joke of a bill which said we would hang or execute those found guilty of murdering prison guards and police officers while on duty, how many persons have been found guilty of such a murder and how many have been executed?

Hon. Mr. Beaubien: None.

Hon. Mr. Choquette: I can give you the answer. It is zero. I can also tell you that the next bill, which is being currently discussed in the other place, is a time-killer. When will it come to us, and how big a joke will it be? That is a question, although double-barreled, if you like.

Hon. Mr. Martin: As Senator Choquette has said, he has asked a double-barreled question.

Hon. Mr. Choquette: Sure.

Hon. Mr. Martin: The first part he has answered himself, so he has saved me spending time on that.

Hon. Mr. Flynn: Not you, the Senate.

Hon. Mr. Martin: As to when the bill will come, I do not know. Perhaps Senator Choquette knows as much about it as I do.

Hon. Mr. Choquette: It will be used every time they need to kill time; that is, when the NDP are not ready to approve other types of legislation presented by the government.

Hon. Mr. Martin: I will leave that to the members of the other place, who are taking this measure seriously.

Hon. Mr. Choquette: Oh, very seriously!

Hon. Mr. Martin: The participants are not confined to any one party.

Hon. Mr. Choquette: What a joke. I have asked a question. Will I have an answer?

Hon. Mr. Martin: I cannot say any more than that. You answered the first part yourself.

Hon. Mr. Choquette: I asked how many were found guilty since the last joke was passed as a bill. How many were found guilty of wilfully killing or murdering guards or police officers who were then on duty? Surely there are statistics.

Hon. Mr. Martin: The honourable senator is quite right; I had overlooked that question. I will get the answer.

Hon. Mr. Fournier (De Lanaudière): I should like to know this from the government. We have a citizen by the name of Mercier, who has committed murder upon murder upon murder, and has been sentenced to life imprisonment. If he commits another murder, what is going to happen to him?

Hon. Mr. Flynn: He is going to be paroled earlier.

Hon. Mr. Walker: He is going to have a record.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, last Thursday during the debate on the inquiry of the Honourable Senator Hicks with respect to the importance of federal government support for post-secondary education in Canada, I was asked a series of questions. The questions and the answers are as follows:

Question by Senator Connolly (Ottawa West):

> I would like to know what percentage of the cost of post-secondary education these federal transfers cover. In other words, what is the total cost of post-secondary education in Canada, what percentage is borne by the federal government and what percentage is borne by the provinces?

The answer is:

> In 1970 total post-secondary costs were $2.1 billion of which the federal government paid 47.8 per cent, provinces 32.7 per cent, student fees 9.8 per cent and other sources 9.7 per cent. These are averaged revised percentages and include indirect payments (federal transfers for post-secondary education.) The percentage paid by the provincial governments excludes transfer payments from the federal government.
>
> There is no reason to believe that any significant changes have occurred in the percentages over the past two years; however, it is likely that total post-secondary costs in 1972-73 exceeded $2.6 billion.
>
> Costs include capital, operating and provincial administrative expenditures.

Question by Senator Forsey:

> Have there been or are there likely to be any discussions between the government and the representatives of the Association of Universities and Colleges or the Canadian Association of University Teachers?

The answer is:

> There have been discussions between the Secretary of State and his officials and the Association of Universities and Colleges of Canada and the Canadian Association of University Teachers. There has been no direct consultation between the Secretary of State and his officials and student associations. However, students are represented on the board of the Association of Universities and Colleges of Canada.

Question by Senator Grosart:

> Would the Leader of the Government please obtain figures showing the total percentage of federal expenditures that are channeled to education directly and indirectly? Could we also have the total percentage of provincial expenditures on education?

The answer is:

> In 1969, the last year for which the figures are complete, the percentage of total federal government expenditures that were channeled to education directly and indirectly represent 11 per cent of total federal government expenditures. The figure of 11 per cent is a revised percentage which includes indirect payments through federal transfers to provinces for post-secondary education. Provincial governments spend an average of 29.8 per cent of their total expenditures on education. This figure, of course, is exclusive of federal transfer payments.
>
> For 1970, preliminary figures indicate that the percentage of total federal government expenditures channelled to education is 10.5 per cent.
>
> In 1970 Canada spent $7.4 billion on education at all levels. This includes elementary, secondary, post-secondary and vocational (including adult education and manpower re-training) and, in addition, amounts paid to scholars and universities for research by the National Research Council, the Medical Research Council and the Canada Council. Federal and provincial student aid programs are also included.
>
> Of this total the federal contribution, including tax points transferred and adjustment payments, amounted to 21.3 per cent. The provincial share is 46.5 per cent, municipal 23.8 per cent, fees and other sources 8.4 per cent.
>
> It is estimated that education expenditures in 1972-73 will reach $8.8 billion. It is not anticipated that there will be significant changes in the proportion contributed from federal sources.

NATIONAL PARKS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, May 16, the adjourned debate on second reading of Bill S-4, to amend the National Parks Act.

Hon. Jacques Flynn: Honourable senators, I am afraid I am going to change the tune. I don't know that I can add much to what has already been said about this bill. Of course we all believe in parks, be they national or provincial. We are all very much in favour of creating new ones. The reason is simple. These parks afford us the opportunity of escaping from some of the less appealing characteristics of our so-called civilized society.

The people of Canada want some of the land protected from insensitive man. They want a part of the beauties of nature left intact and unspoiled. That is why we would all want to support legislation that seeks to facilitate the better administration of national parks, and to enable many more such parks to be created. This bill, well intended though it may be, is deficient in the way it tries to achieve that end.

Clause 2 proposes a new section, section 3.1, for the National Parks Act. This would authorize the Cabinet, acting on its own, by proclamation, to extend the boundaries of any existing park to include any land in which the federal government retains or holds title. Remembering that by section 6(3) of the National Parks Act the Governor in Council is authorized to expropriate any land for park purposes, this amendment will allow the government acting by order in council to acquire virtually any land whatsoever, without recourse to Parliament, of course, or without benefit of public hearings.

● (2010)

The only limitation is the requirement, after the federal government has acquired title, to get the agreement of the province concerned—which agreement presumably could also be given without public notice—and such agreement need not be sought prior to the acquisition of the land. Therefore, the province is put in the position where it could tell the federal government, "We are not in agreement. You can keep the land but don't use it as a national park." Such a position would not be very sensible, so that makes the agreement of the province more or less a formality.

At the time they were established, the boundaries of certain national parks were very carefully drawn to exclude existing communities. I think that the Cape Breton and Ship Harbour National Parks in Nova Scotia were mentioned as good examples of that.

If for some reason a future government wanted to incorporate those communities, they would have the power to do so by order in council and without public hearings. That would be the effect, unless I am mistaken, of clause 2. This is entirely unsatisfactory; it is, in fact, dangerous; it is a denial of the democratic process.

Considering that some national parks are adjacent to land occupied by Indians or other native Canadians, this proposed amendment would empower the government to disentitle those people by a private process, with no public hearings, no opportunity to voice their opposition. The government would solicit no suggestions as to possible alternatives and the government would tolerate no disagreement.

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 national 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.

Clauses 3 and 4 of the bill deal with regulations for the control of traffic within the parks. I wonder if the various provincial ministers of transportation or others in authority were consulted about this. Certain national parks have provincial highways running through them. I doubt that the provinces could agree with this clause, which empowers Ottawa to control the use, because the act specifically includes traffic on any provincial highway going through a national park. It is not clear to me whether by this clause it is intended to give the federal government authority over a matter which is normally under provincial jurisdiction.

I come now to clause 10. I cannot recall that the sponsor explained what this was doing in the bill. It would appear as though the specification of those regions in this bill would obviate the necessity of notice, under existing regulations, of an intention to establish new parks in those areas and that those are the five or six specific regions where a park could be created. I do not remember why section 10 refers to these areas, unless the intention is to obviate the necessity of notice or the necessity of obtaining the agreement of the provinces concerned. If that is the case, then it is highly undesirable. But I suppose that is a point we might have clarified in committee.

Clause 11 also smacks of the same old we-know-what's-best-for-you attitude. The Council of the Yukon Territory and the Council of the Northwest Territories will be consulted about national parks in their areas. They will be consulted, but agreement in principle will not be sought from them as it will from the provinces. If the government feels that it is not necessary to secure the agreement of the territories, then it will proceed to create or enlarge parks as it wishes.

As I say, consultation with the people who will be most affected by the extension of existing parks or the creation of new parks is in my opinion of paramount importance. We should have a provision in the act to ensure such consultation. We must avoid the sort of thing that is going on now. I am told that in the established park of Jasper the parks department is proposing to move a CNR division point involving some 1,200 residents, but that the department refuses to advise the people concerned of the plans or to hear their views.

When it established Ship Harbour Park in Nova Scotia, the government simply proposed to move some 350 families of fishermen. Some of those families had been resident in that area for eight to ten generations. That sort of

insensitive, authoritarian behaviour must be protected against.

Honourable senators, I repeat what I said at the outset: I have nothing against national parks. What I intend is simply to ensure that people who are affected by the extension of existing parks or by the creation of new ones be given a chance to express their views and to demand their rights in public, before a decision is taken. That is the point: before a decision is taken; not afterwards, when it would be, in most cases, useless.

One other thing I should like to find out from the minister, or from the officials who may appear before the committee, is whether there are any guidelines to determine when a park should be a national park, that is, a park under the federal authority, or a provincial park, that is, a park under the provincial authority. I can understand that Gatineau Park, which is a territory administered by the National Capital Commission, should be a national park. But why, for instance, Forillon Park in Quebec is a federal park while the Laurentides Park is a provincial one, I can't figure out. In fact, we all know that in Quebec the oldest park, which is outside the battlefield in Quebec City and is truly of the character of a federal park, is the Laurentides Park. It is always referred to as a national park. People don't differentiate between a park under the federal government and a park under the provincial government. I wonder whether there are some criteria in the federal department governing parks which help decide when it is the responsibility of the federal government to create or enlarge a park and when it is to be left to the provincial governments to initiate that decision.

For these reasons I hope that the bill will be sent to committee and that we can be given further explanation concerning the points I have raised.

Hon. Donald Cameron: Honourable senators, as one who has lived in Canada's number one national park for a considerable period of time, in each of the last 23 years I have had the opportunity of observing the application of national parks' policies at first hand.

To begin with, I think every Canadian can be proud of our national parks and of the wisdom of our forebears who had the imagination to set aside great areas of land for the recreational use of people.

● (2020)

There was wisdom, too, in section 4 of the National Parks Act which defines the general purposes of the national parks as follows:

> The Parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment—

I wish that it had stopped there and that what follows had been separated from it, but unfortunately it goes on:

> —subject to the provisions of this Act and the regulations, and such Parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations.

No one quarrels with that specification, but the trouble starts when you start interpreting the regulations.

The above purpose is a noble one and has the endorsation of the great majority of the Canadian people. In other words, the national parks are a trust being administered for all the people by the federal government. The troubles which have plagued parks administration, and the lives and well-being of park residents from 1958 to the present time, are not caused by any misunderstanding of the purposes and objectives of the National Parks Act, but they are caused by the interpretations of that act and the regulations under which it is administered.

The regulations are drafted, interpreted and administered by people, many of whom have never been near a national park, who know nothing of its physiographic features, and who seem to know even less about the art of dealing with people.

Let me put the views of the parks people very clearly, as they have been expressed to me on many occasions by intelligent Canadian citizens and businessmen who live in the national parks and who are necessary to the carrying out of parks policy, especially in the larger national parks such as we have in the West. To illustrate something of the size of these parks, let me quote an article by John Hopgood of Calgary published in the Banff *Crag and Canyon* of March 31, 1965, at page 18.

> The very size of the Rocky Mountain Parks makes them quite different from the smaller National Parks elsewhere in Canada and the USA and different considerations should apply. The Banff, Jasper, Yoho, and Kootenay National Parks, all contiguous on the Great Divide, contain 7,800 square miles. Add the adjoining provincial parks of Mt. Robson, Assiniboine and the Wilmore Wilderness Park, which contain 2,900 square miles and you have an area of 10,700 square miles of park. This area might be compared with Switzerland, a country with an area of only 15,900 square miles, which has a population of several million, five large cities and contains in its Alpine area of approximately 10,000 square miles, hundreds of resort towns and villages, and operates a highly remunerative tourist business without defacing its mountains.
>
> It would be unthinkable to take Switzerland out of the economy of Europe. It should be just as unthinkable to take the Rocky Mountain Parks, lying as they do athwart the main communications of the country, completely out of the economy of Canada.
>
> If the whole of the Rocky Mountain Parks are set aside as wilderness, man for whose benefit and enjoyment the wilderness is preserved, because of the vastness of the area, will never be able to get into most of it to enjoy its beauty or its boon of physical and mental restoration. Too large a wilderness defeats the purpose of its preservation. The Rocky Mountain Parks should, therefore, be zoned into wilderness areas and recreation areas.
>
> In the wilderness areas no development should be allowed except for the cutting of trails and the erection of simple overnight shelters of the type built by the Alpine Club. In the recreation areas small resort towns and villages should be allowed to grow.

I am happy to say that this concept is now being followed.

To come back to the attitude of the park residents with respect to the preservation of the national parks, may I state these views categorically as follows:

1. The people who live in Canada's national parks are proud of their parks and they want to see them preserved from the despoliation that takes place with uncontrolled urban development, unplanned utilization of land and the exploitation of resources such as mining claims, timber limits, hydro, et cetera.

2. The people who live in the parks want to preserve the natural beauty of these parks so they can be enjoyed by the Canadian people.

3. The people who live in the national parks, particularly in the large ones, recognize that it would be impossible to carry out the intent of section 4 of the National Parks Act that the parks shall be for "the benefit, education and enjoyment" of all of the people of Canada, unless there were facilities in which people could get food, services, and shelter. This means that you must have, within the parks, a number of communities with sufficient investment in resources to provide the needs for housing, motels, service stations, grocery stores, and recreation.

4. It is the belief of the people who live in the national parks that these purposes can be carried out without the impairment of the national parks. For example, out of the thousands of square miles within the present boundaries of the national parks, something like less than 1 per cent of the total area is occupied by the townsites of Waterton Lakes, Banff, Lake Louise, Jasper, and so on. In addition, this less than one per cent includes the rights of way of two transcontinental railways and two transcontinental highways. So the proportion of land used to provide the necessary services is minimal, and in the event that more land is required it is a simple matter, under the terms of Bill S-4, to incorporate the additional thousands of square miles of wilderness into the parks.

5. The park residents believe that the problems of combining the recreational needs and the people's right to enjoy the parks can be met by an adequate system of zoning, which would provide

> (a) the necessary land for provision of housing, services and recreation;
>
> (b) for a sort of intermediate area which might comprise five per cent of the parks where new townsites, or service centres as the park calls them, can be developed to meet the increasing needs to handle more people; and
>
> (c) through the provision, as near as possible in its natural state, of the remaining 90 to 93 per cent of the parks area as wilderness areas.

There is no conflict here that cannot be resolved by a sane and orderly system of zoning.

In his excellent speech introducing this bill, my colleague Senator Laing graphically illustrated what is happening in our national parks when he said that the estimated number of visitors who will visit these parks in 1973 will be 15.5 million, and that of this number over 4 million will visit the Banff and Jasper National Parks. This gives you some idea of the numbers of people who have to be provided with services if they are to enjoy the parks. They certainly cannot enjoy them unless there are motels and hotels, camping facilities, service stations, grocery stores, and things like that which are necessary to meet the everyday needs of the people who live in, and the people who visit, the parks.

Dramatic as the increases in attendance in parks have been in the last few years, we are only seeing the tip of the iceberg if you take the perspective of another 10 to 15 years as the population of this continent grows, and as the need for people to get away from the urban ghettos increases.

I would like to take this opportunity of saying that I think the parks administration has done many good things, even though I am critical of many others. First, they are providing first class facilities for trailer parks and campers, but the amount of these facilities is far from meeting the needs. Night after night, in the months of July and August, you will see hundreds of trailers lined up with no serviced camp sites to go to, because they are all occupied. They hopefully wait in line to get a place either the next day, or a couple of days further down the line. This situation simply underlines the fact that the cost of staying in national parks hotels and motels has become prohibitive as far as the ordinary working man and his family are concerned. Here I must say, however, that the rates charged in the national parks hotels are a little different, for either accommodation or meals, than is the case in other hotels in the cities.

The tremendous increase in the number of visitors going into the national parks each year underlines, as far as the western parks are concerned, the immediate need for the Government of Canada to start the twinning of the Trans-Canada highway from Banff to Vancouver. During July and August, the traffic on that highway is almost like a congested city street. Literally hundreds and hundreds of trailers are clogging that road, so that a two-lane highway is no longer adequate. I would think that at a time when we are looking for constructive means of putting people to work, there could be no more productive expenditure of public funds than to embark immediately on a program to twin the Trans-Canada highway through the Rockies.

● (2030)

The purpose of Bill S-4 is to enable the government to create more national parks, and I think everyone is in favour of this. Senator Laing, in his introduction, said it was also to enable the government to give better administration, and it is in this particular area that I think criticisms are justified. Senator Norrie, in her speech on April 11, referred to the amendments in clause 2 of the act which reads:

> The said Act is further amended by adding thereto, immediately after section 3 thereof, the following section:
>
> "3.1 The Governor in Council may, by proclamation, amend the schedule by adding to any park described therein lands described in the proclamation where the Governor in Council is satisfied that
>
> (a) clear title to the lands described in the proclamation is vested in Her Majesty in right of Canada; and
>
> (b) agreement has been reached with the province in which the lands are situated that the lands are suitable for addition to a National Park."

Senator Norrie, like her counterparts in Western Canada, is concerned about the arbitrary announcement of modifications in the National Parks Act in this way without consultation with the people whose livelihood and roots will be disturbed.

In his speech in the Senate on April 11 on the same topic, my colleague Senator Buckwold said:

> —I can only conclude by saying there have been public hearings, the authorities have gone through all the motions, but in fact the protests of the people have been substantially ignored. We are worried that the golf course may be downgraded. Already the little dance hall has disappeared, together with the kinds of things that bring pleasure to the youngsters who are there, and who want to use the park. I hope someone may read this; and I hope it is not too late for any major change in policy. I trust these mistakes will not be made in other parks, and I hope even more that we can look forward to Waskesiu continuing to be a people's park.

We must not lose sight of this emphasis. The people in the Waterton, Banff and Jasper National Parks know exactly what Senators Norrie and Buckwold are talking about, because they have, for long years, been concerned with the same kind of arbitrary decisions made in Ottawa without adequate consultation. It is strange that this should happen, because it has been my privilege to know parks officials and superintendents since 1940, and most of them have been very decent men who wanted to do the right thing. But unfortunately the parks superintendents have had practically no authority to make decisions, or to convey the feelings of the park residents to those who make the regulations in Ottawa. One park superintendent who, because of a long knowledge of the workings of the national parks administration, sought to bring the views of the people to the powers that be in Ottawa, was demoted from his position to a lesser park for a period of years. In due course he was brought back to his original position as a superintendent in Banff National Park. However, in his second sojourn as the superintendent, when people would go to him with complaints about the situation, he would say, "Write me your complaint and I'll pass it on to Ottawa. I'm just a post office. I make no decisions." Unfortunately, this is the tragedy of national parks administration, and it suggests there is a need for a more effective voice for the people whose lives are concerned with the decisions made by the parks administration.

It is true that the national parks authorities have set up what they call advisory councils, and these people are supposed to keep the authorities in Ottawa informed of the views of the people. But in reality, time and time again in the history of the advisory council as far as the townsite of Banff is concerned, decisions have been made in Ottawa without consultation, and the first the advisory council knew about it was when they received a letter setting forth the new regulation or the new decisions. This is a travesty of the intent of the act and could very easily be changed.

At the present time in Banff there is a great deal of concern about increase in land rentals. I do not propose to go into this in detail because there is some right on both sides. Some of the parks people glibly talk about a land tax of $6 for a residential lot as if this were the only tax paid by the highly privileged citizens who live in the national park. Nothing could be further from the truth, because in addition to the land rental, which was established many long years ago, the citizens of the parks have always paid school taxes, hospital taxes, and a special tax for water, sewerage and garbage. In the case of my own home in Banff today, I will pay a tax that is as high as I pay on a home of equivalent value in a good district in the city of Ottawa. This could be duplicated time and again by people who live in the national parks.

One of the reasons for the present outcry about the increase in land rentals is that something should have been done many years ago to put the tax structure on an equitable basis, and to get rid of the farce of calling the land rental of $6 to $12 on a residential lot as the total tax paid by the people of Banff, Jasper, or elsewhere.

To give honourable senators an example, I shall refer to the case of Lot 6 in Block 22 of the Banff townsite.

The school tax this year is $565; the old land rental rate was $16 but the land rental rate as from April 1, 1973, is $187; the hospital tax is $56.59; the water, sewerage and garbage tax is $126.68; for a total tax of $935.27. I do not know whose home this is. I am simply taking this from a table of statistics provided by the advisory council in Banff.

Let me take another example, that of Lot 7 of Block 7. The school tax is $1,014.63; the old land rental was $60, and the new land rental is $721.80; the hospital tax is $114.56; the water, sewerage and garbage tax is $340, for a total tax of $2,190.99.

I have another example. In the case of Lots 15A, 16A and 17A, the tax went from $148.80 to $6,109.50, an increase of 4,106 per cent. This may be an extreme case.

I am told there are over 40 different kinds of leases in the national parks. The result of this multiplicity of lease contracts is that in one case an individual's tax as from April 1, 1973, may have gone up from 200 per cent or 300 per cent to as much as 4,000 per cent, based on the old land tax schedule. The man next door, because he has a different type of lease, will have no increase in taxes for the next 10 years. It is inequities of this kind, which have come about simply by poor quality administration, that causes so much antagonism and unrest in the national parks.

One of the problems in the national parks administration today is that the organization seems to have been taken over by the environmentalists. Everything is being done in the name of the environment, and these people, in their enthusiasm, and their unwisdom, have forgotten all about people and the fact that the parks are provided for the recreational needs of the Canadian people. As a matter of fact, the environmentalists today—and this does not apply only to those concerned with national parks—have reached the stage where they have lost almost all credibility. One has only to think of the uproars which are being generated about the building of the pipelines to the North to see how absurd these people can be. Nevertheless, let us give them credit for wishing to do the right thing, and let us see how this desire to preserve the environment works out in the Banff townsite. Banff is a beaufiful place, being one of the great beauty spots of the world, and people who

live there are fortunate in having the opportunity of living there.

Recently, the parks administration has recognized something that should have been recognized long years ago—the need to provide for housing for people who have to live in the park to service the visitors. There is a great deal of good, dry land that could be utilized for housing developments in Banff. But where do our environmentalists put them? They put them in the only swamp land in the Banff townsite.

There is an area known as the Whiskey Creek area through which wanders one of a number of creeks. The area was heavily treed and provided, within the townsite itself, a rather attractive parkland area which not only was attractive in itself, but served as a buffer between the townsite and the heavily travelled main line of the CPR. However, the planners in their wisdom apparently took a look at the map of the townsite of Banff, and without any relationship to the practicality of the situation decided to lay out new subdivisions. In this respect I will say that in terms of the actual physical layout of the streets they have done a nice job, as far as aesthetics are concerned. They have got away from the rectangular blocks; they have made nicely curved streets, and generally broken up the land in an attractive fashion. But the thing that has been overlooked is that the water table in this area is so high that practically all of the people whose homes have been built there have been plagued by wet basements, and by sub-soil that heaves with the frost.

● (2040)

It is not unusual to find a newly-built house which has a two to three-inch sag in the foundation within three months, or cracked foundation walls within six months. I have been told by a contractor who has built some homes in that area of Banff that the annual maintenance costs of the homes, because of the unstable conditions in which the homes are located, are at least 35 per cent a year above normal.

Another thing is that the environmentalists talk about preserving the beauty of the parks. You should see some of the homes that have been built to parks' specifications! They have created the beginning of some of the worst slums ever created in the Banff National Park. I only wish I had a movie to show you how unattractive some of the homes that have been built to specifications laid down by the parks administration are. I must say that many of the people who have been forced to buy land and build their own homes have built very attractive houses. It is just too bad that because of the unsuitability of the terrain on which those homes are located, as I said earlier, they are faced with an average added increase in annual maintenance costs of about 35 per cent.

It is not as though there is no dry land available. As of last week there were 200 people waiting for home sites in Banff. The government is planning a 32-unit garden court in this Marmot subdivision, which is the swamp area to which I referred earlier. I suppose when they run out of swamp land they will build on dried land.

There is a tremendous shortage of housing, particularly in the summer months when there are thousands of university students working in Banff, and there have been proposals made from time to time to house those students in mobile homes. However, there is a park regulation which says that you cannot have mobile homes within the townsite. There is lots of room up on Tunnel Mountain, which is a mile from the town and outside the townsite. I understand arrangements have been made to open a mobile home site just outside of Jasper National Park. If that is true, it is a step in the right direction.

There are many other things that could be said along this line, but I do not intend to develop it any further. However, in thinking about what might be done, I feel the time has come when we must recognize that one of the reasons for this continuous controversy between the people who live in the parks and the parks administration is that the means of communication between the two, if they do in fact exist, are ineffectively used. The decisions are being made by people who live 2,000 miles away, and who obviously have little idea of the effects of the regulations they are making.

In order to overcome this, and to end on a constructive note, I am going to suggest that one of the means of bridging the gap between the national parks residents and the parks administration would be the creation of a national parks commission on which there would be representation from the federal government, from the provincial governments, and especially from the people who live in the parks. As Senator Flynn said a few moments ago, the provinces are moving into parks development, so they should be represented on this commission.

This commission should have the responsibility for advising on the policy of the parks administration and for protecting the rights not only of the governments but of the people themselves. The present parks administration gives lip service to considering the rights of the people, and goes blindly ahead in disrupting people's plans, people's livelihoods, and people's traditions. The tokenism of the advisory councils is a farce, because the parks authorities go ahead and make decisions and tell the councils about it afterwards. If we had the kind of independent commission which I am suggesting it would make it easier and more pleasant for the parks administrators to carry out their responsibilities, and it would certainly give the people who live in the parks a feeling that equity and justice prevails, something which they do not feel at the present time.

Hon. Lorne Bonnell: Honourable senators, I thought perhaps I should rise to say a few words in connection with the National Parks Act and the amending bill, Bill S-4.

We in Prince Edward Island have one of the finest national parks in Canada, Prince Edward National Park. I was a little disturbed to see that Bill S-4 would change the name of Prince Edward National Park to Prince Edward Island National Park, although I do accept it. However, when I started to read the descriptions of the pieces of land which have been added to Prince Edward National Park I wondered whether they are satisfactory. For example, with respect to one new piece of land the description is as follows:

> Commencing at the intersection of the line of mean high tide along the easterly side of Covehead Harbour with the most westerly of the landward boundaries of Parcel 4, as the last aforesaid intersection and boun-

daries are shown on plan 42611 in the Canada Lands Surveys Records at Ottawa—

And it goes on to describe how the first mean high water mark meets another mean high water mark from some other direction, and finally, if you really want to know what it is all about, you go to Ottawa to see a plan numbered such and such.

For the life of me, I cannot understand why, with all of our engineering and technological capabilities, the description cannot be more clear than that. With respect to all the other parks mentioned, they use monuments and co-ordinates. For example, with respect to Kejimkujik National Park the boundaries are described as being so many degrees and minutes, and so many feet, more or less, to a crown land survey monument, and there are other co-ordinates for the various directions.

The mean high water mark in Prince Edward Island changes every time the tide comes in or goes out. I do not see how we can describe park boundaries using terms such as "mean high tide marks." The Islanders will have to come to Ottawa every time the tide changes to look at the plan and find out whether the boundaries of their properties have changed. That is certainly not a very adequate method of describing lands in a province such as Prince Edward Island which is bounded by the sea. Perhaps in the committee we can ask questions as to how these high tide marks are arrived at, and so forth.

Honourable senators, national parks are a great thing. We should preserve our heritage, and we should have more national parks. It is good for the young people of this country to see what the land looked like 50 years or 100 years ago, and it is wonderful to know that their grandchildren will be able to come back and view this land as it is today.

This is one country from sea to sea; it is the same land; it is Canada. But what is good for the Northwest Territories or the Yukon can have a detrimental effect on areas such as Prince Edward Island. The whole area of Prince Edward Island is one million acres, and there are parks bigger than that. We in Prince Edward Island want to preserve our agricultural industry. The size of the national parks that we have today is not suited to the province of Prince Edward Island.

I do not believe there is enough discretion left to the minister and departmental officials to make changes, when necessary, to cope with the needs in various areas. For example, there have been negotiations in the province of Prince Edward Island concerning a new national park in eastern Kings County. The federal government, I believe, would like to take over approximately 10,000 acres for this park. It wants to buy up all the land from the farmers and put everybody out of business; it wants to own the sea around it and keep the fishermen from fishing in it. That is not good enough in 1973.

There is nothing more beautiful than to see a rural farm home well painted, well kept, with a nice pasture or a field of grain or potatoes. We would be proud to look at that, and it would certainly be good for our landscaping. Why would anyone want to put that out of production so that tourists can see it as the Lord left it. The Lord does wonderful things, but he needs help sometimes, and farmers are great helpers.

● (2050)

I believe that the resources of our province from the land and sea are too great for the federal government to want to own it, preserve it and protect it. What we must do is own it, preserve it and protect it by taking care of it, by cultivating the soil and keeping that land in agriculture. Let us leave the fishermen to fish from the sea. Let them bring in the Irish moss, as they have done on that shore for hundreds of years, millions of dollars' worth of Irish moss. To stop that would be terrible for Prince Edward Island; it would be terrible to let it go to waste.

I believe the time has come when, as has been mentioned, a national parks commission is needed, where people from places like Prince Edward Island can sit down and talk with others who can listen and reason, who can think in 1973 terms about what is good for that area, what is good for those people, what is good for Canada, and what is good for the future.

We also need to take another look at the cost of a national parks policy. When it comes to Medicare, the federal government pays out different proportions to different provinces based on need. When it comes to hospital insurance, the federal government pays different provinces different proportions according to need, income and cost. But when it comes to national parks, it makes no difference whether a province is rich or poor; there is the same policy across Canada from the Atlantic to the Pacific.

I believe that the Maritime provinces, and perhaps some other provinces, need greater assistance from the federal government in establishing national parks. At the present time there is a program under which a province purchases and pays for 25 per cent of the total area, and then the federal government will share 50-50 on the remaining 75 per cent. I think that is insufficient, that the federal government should be sharing in all the costs, and the provinces should not be expected to turn over 25 per cent or part of the land to the federal government as a gift, especially provinces that cannot afford it.

I further believe the time has come when there is more to a national park than conservation or protection. This is a time of shorter work hours and more leisure time, when people should be able to go to the national parks for recreation. Instead of curtailing the building of such things as golf courses, swimming pools and other forms of clean recreation, they should be expanded in our national parks system, so that people are not expected to roam around in the wilderness through little tracts of land looking at the biological growth that might be there, when they could be playing a nice game of golf, swimming in a swimming pool, or doing some of the other clean recreational things that could take place there, while still protecting the environment, and protecting it for the generations to follow.

I therefore believe, honourable senators, the time has come when the provinces and the federal government, along with the people of Canada, and especially the people in the area, have to sit down and talk about the federal national parks policy. I agree with having a national parks commission or some other forum where discussion can

take place. I can think of nothing worse than a province and the federal government agreeing between themselves how to dispose of hundreds of farm homes and farm people who have lived on these lands for many centuries, deciding that all of a sudden the land shall be expropriated, that now they must move somewhere else, without having a chance to participate in taking the decision, without even an opportunity to let anyone know how they feel about it. The time has come when there must be citizen participation in the decisions concerning national parks in these areas across this country of ours.

I am quite sure that in our Island province, before any further national parks are established, the people of the area must be allowed to participate, to discuss the matter and put forward their views before the government of that province decides to sign contracts or agreements with the federal government for another national park. We need to provide this opportunity, and I think every province of Canada should take that stand.

With those few comments, honourable senators, I repeat that I think the time has come for some kind of three-way board, commission, whatever you want to call it, where the federal and provincial governments and the people can sit down and discuss the national parks policy, how it affects them and their future.

Hon. Gildas L. Molgat: Honourable senators, so far the debate on Bill S-4 has clearly indicated that there are serious reservations in the minds of many senators about details in the administration of the parks and certain parks policies. In fairness, however, I think there is general approval of this bill, which is in fact a historic document. After 106 years as a nation, we can finally say, when this bill receives royal assent, that we have at last achieved a national parks system. I think credit is due here to the mover of the bill (Hon. Mr. Laing), who was himself the minister responsible for parks in Canada prior to coming to this place.

Credit is also due to his successor, the present minister, the Honourable Jean Chrétien, for having at last achieved a truly national parks system. This bill will mean that every province in Canada will have a national park, and that the two territories, the Yukon and the Northwest Territories, will each have a national park. At long last there will in fact be a national parks system represented in every province in Canada and in the two territories. This is a great achievement.

As I have said, reservations have been expressed by many who have spoken in this debate. I frankly admit that, while a supporter in principle of the national parks system, I too have reservations. Living right next to a national park in my province, and having had in my own constituency a large portion of that park for a number of years, I am well aware of the problems that can arise in the administration of the park in relation to the residents in the immediate vicinity. However, I do not think we should let these types of problems obscure the fact that the national parks system in Canada has been a great development, and that we owe a great deal to our forefathers who years ago set aside large parts of our country for the benefit of future generations. The forward-thinking of those people is something for which I think Canadians will be thankful for many years to come.

[Hon. Mr. Bonnell.]

After this bill receives second reading, I hope there will be a complete discussion of it in committee. I believe it is very important that the reservations expressed during the debate here be taken up at the committee level with the departmental officials. I hope that ample time will be given by the committee to which the bill will be referred to permit the park officials to be prepared, and that all honourable senators will be given ample time to question those officials in depth.

● (2100)

I have sensed at times that there is a difference between the official statements of park policy and the actual administration of the parks. I have asked questions at times and I feel that I got two different kinds of answer, depending on where I asked the question. I am anxious to see that resolved. Nevertheless, I say that this is an historic bill. In the long run we should be thankful to those who set up the national parks system in this country, and we ought to be thankful now that we have achieved a truly national parks system throughout Canada.

Hon. Arthur Laing: Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if the Honourable Senator Laing speaks now his speech will have the effect of closing the debate on second reading of this bill.

Hon. Mr. Laing: Honourable senators, I first want to thank all those senators who have participated in this debate. When I undertook to sponsor this bill, I was of the opinion that I was on a better wicket than was indicated by the tone of the debate here this evening. I am rather thankful that I am merely the sponsor and not the minister responsible.

The national parks system of Canada is an example of the national parks that exist in almost all of the civilized nations of the world today. In the estimation of those people conversant with park policies and the nature of parks, the Canadian national parks system stands at the very top of all nations of the world today. This was not always so. The United States went to a great deal of trouble and cost to establish parks in their historic areas. They have been troubled by the numbers of visitors. Last year in Yellowstone alone they had 17½ million visitors. Neither Yellowstone nor any other park can stand that many visitors in one season. I understand that this year no entry is being granted to private automobiles in Yellowstone Park, that if you want to see the park you must get there by bus.

We have a comparable problem at Banff, as I think Senator Cameron will agree, which has over two million visitors a year, and at Jasper, which has 1.7 million visitors. This is a seasonal business, with probably 80 per cent of the visits being made in a four-month period, except for the mountainous areas of our country which are now enjoying winter patronage as the result of the development of ski resorts. It is difficult to run a business that operates 80 per cent in four months. I was in business long enough to know this, for we had several departments where 80 per cent of the business was done in three months. It puts an immense strain on everyone concerned to do a job well, to accommodate all visitors. As Senator Cameron has said, there can be a lineup of people three

quarters of a mile long waiting to park their trailers on camp sites. Tempers become frayed and the kids in the back seat start to cry.

One of the important points brought out in the debate is that we must satisfy the tremendously increasing demand by those who, as I said before, put a great deal of their vacation money into the gas tank. The average visitor to a national park drives 1,200 miles and he wants cheap accommodation when he gets there.

Senator Cameron was good enough to say that the work done in recent years started in Kootenay National Park. We built accommodation for visitors and they could park their cars and get as much free wood to burn as they wanted. They could hook up their conveyance to water, light and sewerage. Yet up to 18 months ago we were charging only $1.50 a day. As a matter of fact, the national parks branch has been under criticism—and valid criticism—from the provinces, who said that our prices were far out of line with those charged in provincial parks. They wanted us to bring our rates up, and I think the present minister raised them this year.

Senator Flynn spoke of the regulations that we are asking for in respect of highways that run through national parks. I feel certain in saying that each one of those highways, be it provincial or national, is built and maintained wholly by the Government of Canada. I do not think that any of these roads are supported otherwise.

Since their inception, we have made an enormous investment in national parks. The capital investment now is of the nature of $390 million. If you go to Banff and then travel northwards through Jasper, a distance of 190 miles, you are travelling on one of the most magnificent highways in the world. You are going to say it should be, because it cost us $62 million. While it is all right to say that we could push more of these highways through the park, remember that in our mountainous region we are contending with rock all the way and it is very costly to build roads.

The complaint against centralization in Ottawa struck a responsive chord in me, for I have been trying for several years here to persuade those who live and move and have their being in Ottawa that if we wish to build this country solidly we must decentralize government departments to a far greater extent than is the case today. We are a nation 3,500 miles wide, with 84 per cent of our people living within 200 miles of the United States border. If we are to have a united country, we must have the presence of a national government, able to give competent answers wherever a citizen makes an inquiry. Our national parks system is one of the best attributes we have in Canada to establish a national identity in all parts.

Like other senators, I wish this bill to go to a committee. In the last two days I received two letters from the Yukon that impressed me. One is from a man who has a gold mine for which he says he will want $19 million; the other is a representation that one of the great remaining hydro-electric developments possible on this continent, probably exceeding Churchill Falls, is in that area and if the park proceeds as outlined it would be negated for all time. These are thing we must inspect in committee, and we should give these people an opportunity to appear before us.

I do not wish to get into the rates structure. It was ancient. I went into it in my opening remarks when I laid the blame on the father of this country, Sir John A. Macdonald, when he said he wanted wealthy people in Canada to build elegant homes in the parks—and they proceeded to do that and started to pay a rent of from $6 to $7 a year. This was a time when he, validly and for all good purposes, was trying to encourage settlement across the country and to instill a knowledge of the potentiality of Western Canada in the minds of those who lived in other parts of Canada. That was a great move to do exactly that sort of thing. We have outlived that.

● (2110)

The difficulty is that the many people who live in the parks, who have businesses in the parks and, therefore, must live in the parks—and in the case of Jasper where there are 1,200 families who are employees of the CNR and are living there because that was one of the main CNR points—are people who haven't all the rights and privileges that you and I have, living outside the national parks. For example, there are many things they cannot vote on. As a matter of fact, in Jasper the agency that collects for hospitals and schools and that sort of thing is the school board. There is no other entity at all capable of collecting moneys there, and so they have assumed the responsibility of collecting moneys. This leads to difficulties and unhappiness of various kinds.

Nevertheless, again I say we have in our national parks one of the really great assets of Canada. More than any other factor at the present time, the national parks are drawing to Canada, annually, visitors who are leaving here about $1 billion a year.

I had intended to rate the parks. Senator Cameron did that for me by saying that Banff was number one. I put Jasper in that position today. Banff is commercialized a little more than it should be, in my view. And I put that magnificent park in Nova Scotia, the Cabot Trail, as number two. It is a fantastically beautiful park.

I am sure that the parks branch officials, when they appear before the committee, will agree with many of the things that have been said here tonight. We should impress upon them, though, what was said by two or three of the senators: that the responsibility for operations within a park should be the responsibility of the superintendent of that particular park, and if over a certain amount of time he gives dissatisfaction he should be removed. But I think the setting down of orders from here, in respect of all the parks and all the people therein, is not particularly workable. Against that I would say to Senator Cameron that I think everyone who is living in a national park today is pretty happy that he is living there.

Honourable senators, with these few remarks I commend this bill for your favourable consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Laing, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

PRIVATE BILL

CENTRE AMUSEMENT CO. LIMITED—SECOND READING

Hon. John J. Connolly moved the second reading of Bill S-6, respecting Centre Amusement Co. Limited.

He said: Honourable senators, this is a private bill to restore the incorporation of a small company called Centre Amusement Co. Limited.

In the event that honourable senators wonder about the words "Centre Amusement," the name of the company, I should simply say that the company was originally incorporated as a private company by the former owner of the Centre Theatre on Sparks Street in Ottawa, a theatre which has been in existence for well over 60 years.

Section 133 of the Canada Corporations Act, which is to be found in the Revised Statutes of Canada, 1970 as chapter C-32, makes certain provisions with reference to corporate returns. Subsection (1) of that section requires every company before the 1st of June each year to file its annual summary. Subsection (9) provides that failure to file for two consecutive years will elicit a notice from the minister giving an additional year in which to file or submit to forfeiture of the charter. Subsection (11) provides that failure to file within that year can result in an order issuing from the minister dissolving the company.

These procedures have been invoked against this small, personal company called Centre Amusement Co. Limited.

There are 593 shares issued by this company. There were 297 shares owned by the late Don Stapleton, 294 by his late wife, and two were qualifying shares.

Mr. Stapleton died in December of 1967, and his wife died in December of 1970. The warning notice pursuant to subsection (9) of section 133 was given on July 19, 1969. That date was within two years after Mr. Stapleton's death. The order of dissolution pursuant to subsection (11) was made on September 19, 1970, shortly before Mrs. Stapleton's death.

Honourable senators, I should say in explanation that there was a dispute in respect of the administration of Mr. Stapleton's estate, and two administrators with the will annexed were appointed in February, 1968. These two administrators represented the two parties to the dispute in connection with the estate. This created some confusion with reference to this small company, and through inadvertence the annual summaries were not filed.

In order to deal with a small bank balance of less than $2,000, and to simplify a tax position with respect to both estates, it is desired to revive the company. Detailed evidence in respect of all this will be given in committee.

I should say, honourable senators, that this section has been in the act for a great many years. Certainly, in its general provisions, it goes back to 1934. The most recent amendment was made in the session of 1967-68, which brought the section into the situation in which it now stands. The section, with its present provisions, seems to me to be an anomaly.

● (2120)

What Parliament now has to do by way of reviving the charter of this small company could, I think, be handled in an administrative way, and should be so handled. The minister should have discretion to review cases of this kind, based on affidavit evidence, and to allow the charter to be revived. The Standing Senate Committee on Banking, Trade and Commerce made this suggestion the last time a similar application was made to Parliament, and I understand that the new Corporations Act which has been promised to Parliament will carry out the suggestions I have just made.

[Hon. Mr. Laing.]

Honourable senators, if this bill is given second reading I shall move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Connolly (Ottawa West), bill referred to Standing Senate Committee on Legal and Constitutional Affairs.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, May 15, the adjourned debate on the motion of Senator Sparrow for the second reading of Bill S-5, to amend the Farm Improvement Loans Act.

Hon. Frank C. Welch: Honourable senators, Bill S-5, to amend the Farm Improvement Loans Act, was explained thoroughly by Senator Sparrow. In fact, he did a masterful job in explaining the bill, leaving very little to be said.

This amendment to the Farm Improvement Loans Act will undoubtedly improve the act. Actually it will simply bring the act up to date, and will leave the farmer in about the same position as he was five or six years ago. At that time he could buy a new 1965 Massey-Ferguson tractor for $3,000, while now the same tractor would cost him more than $6,000. Then he could build a useful barn for $15,000, now it would cost him at least $30,000. So what the amendment really does is to bring the current level up with the rising inflationary tide. Otherwise the needy farmer will be submerged.

I am not really criticizing the amendment when I suggest that perhaps it does not go quite far enough. My information is that in most parts of the country the banks are not very enthusiastic about this type of loan. It is true they are given a guarantee against losses, but the interest rate is not attractive to them. Again, my information is that this source of credit for farmers is not in general use because the loans are so hard to negotiate.

Perhaps the interest rate should be subsidized by government. I say "perhaps" because there may be a better way of aiding the farmer. Surely we all agree that he needs aid. The government has proclaimed a policy of all-out production as a means of holding the level of food prices and even of bringing them down, but current farm costs are going up much faster than the price of food. The latest cost-of-living index figures show that basic food items in many cases went up from one to two points last month, but Statistics Canada has just released figures to show that farm costs went up 10.2 per cent in the first three months of 1973. I need hardly point out the problems that the average farmer will be confronted with by the end of the year if this alarming climb continues.

One wonders whether the banks in Canada are really co-operating constructively in extending credit to agriculture. They obviously have plenty of money to lend, but they like to lend it where the interest rates are high. In biblical days this was called usury and not so long ago there were laws against usury, but today the sky is the limit. Some of the banks, for instance, are pushing loans for cars. In my home town the local branch even featured a car on display on its main floor. Moreover, it offered a gift of $25 in cash to the person receiving the loan. Surely it would have been simpler and more ethical to have reduced the interest rate.

But the ways of modern banking are becoming more and more peculiar, if not positively weird. Consider their eagerness to make loans based on Chargex accounts. I have here a folder urging customers to use Chargex accounts not only for travelling but for normal budgeting. Let me quote:

> As an aid to budgeting you can pay your Chargex bill in two ways: in full within 25 days from the date of your statement, when you pay no interest whatever nor any carrying charge.

Surely this is a new banking philosophy. Where is the old native caution and reserve? How can the banks do something for nothing as the advertising implies—no carrying charges whatever?

Those who read on, however, find that the subsequent charge on balances of less than $500 is 18 per cent per annum, which is, presumably, better business for the bank than 7 per cent on a guaranteed farm loan. Or is it, in the long run? Much of the higher interest rate will have to be charged to advertising. Bank Chargex account holders will be participants in a lottery contest which will enable thirty lucky persons to win a two weeks' "Sunflight Holiday" in June. All expenses will be paid by the bank, which will in addition provide $250 for spending money. Presumably this money will not be available for farm improvement loans.

Surely this raises the question, which of these two types of loans will contribute more to a productive Canadian economy? The new type loan is entirely consumptive. The farm type loan would be entirely productive, and the money would remain in the country.

I suggest, honourable senators, that the guaranteed loan should be raised from $25,000 to at least $50,000 or more, thereby keeping up with the inflated cost of farm operation. I also suggest that the interest rate should be subsidized.

Hon. Sidney L. Buckwold: Honourable senators, as the seconder of this motion very ably put forward by my colleague from Saskatchewan, Senator Sparrow, I beg your indulgence while I make a few remarks in support of his proposals.

Both of us come from Saskatchewan where the question of farm improvement loans is a very real one. We come from a province in which we see farm units becoming larger and larger, the average farm in Saskatchewan today being of 850 acres, and growing year by year. The result is the depopulation of rural Saskatchewan. I suppose the same can be said of the populations of other Prairie provinces that have a heavy dependence on agriculture. This is a very sad trend because in the province of Saskatchewan at least industrialization is not able to provide the employment needed to keep up with the loss we experience through people leaving the farms.

● (2130)

Saskatchewan is faced, as I say, with this very serious depopulation. The province today has fewer people than it had in 1931, as I believe I have said in this house before, when it had the third largest provincial population in Canada, following Ontario and Quebec. While the remainder of Canada has doubled in population since 1931, Saskatchewan today, in fact, has fewer people. The reason is that our farm units have become larger and our technology has improved. The Prairie provinces have the most productive and efficient agriculture in the entire world, but we pay a very dear price for it in the loss of population. Fifty thousand fewer people live on farms in Saskatchewan today than only five years ago.

The proposal of Senator Sparrow is, I believe, one of a series of bills that should be introduced in order to stop this rural-urban migration which in our case is out of the province. Somewhere along the line we must come up with programs—part of the answer being the bill sponsored by Senator Sparrow—that will make it possible for young farmers to get on the land. We must give them the capital to do so, and the means of production. Changes are required in the Farm Credit Corporation. We will have to involve the Department of Regional Economic Expansion, which will make that department perhaps more directly concerned with the farming and agricultural industry, something about which we have not even thought. We must make it possible for the thousands of young people in Canada who wish to live healthy, productive and satisfying lives on the farms to do so. We need to have them back there raising their families, and able to operate viable plots of land which are more labour-intensive. For example, a great deal more capital must be invested in the livestock sector if we are to do the kind of things we are discussing.

I therefore congratulate Senator Sparrow for bringing forward this bill. I hope it meets with the approval of the other place, and that we will be able very shortly to offer those young farmers, and also the older ones, the opportunity to have more capital, and thus improve the productive capacity of the rural population of our farm areas.

Hon. Herbert O. Sparrow: Honourable senators—

The Hon. the Speaker: I wish to inform honourable senators that if the Honourable Senator Sparrow speaks now his speech will have the effect of closing the debate.

Hon. Mr. Sparrow: Honourable senators, I wish first of all to thank the two senators who spoke on this bill tonight, Senator Welch and Senator Buckwold, for the fine manner in which they supported it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Sparrow, bill referred to the Standing Senate Committee on Agriculture.

FOREIGN AFFAIRS

MEETINGS OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS AT THE EUROPEAN COMMUNITY, BRUSSELS, BELGIUM—DEBATE ADJOURNED

Leave having been given to proceed to Inquiry No. 4:

Hon. Allister Grosart rose pursuant to notice:

That he will call the attention of the Senate to the meetings of the Standing Senate Committee on Foreign Affairs held at the European Community in Brussels, Belgium, 19th to 23rd March, 1973.

He said: Honourable senators, it is not my intention to speak to the Inquiry standing in my name. I placed it on the order paper at the request of the chairman of the committee so that honourable senators who were at Brussels would have the opportunity to speak, as I understand several would like to do. I think it is most important that they be given this opportunity because of the great contribution that so many of them made to the work of the committee in Brussels. Therefore, I will not speak on it at this time, but I may do so later with the consent of the Senate.

However, at this time I ask leave to have the document in my hand printed as an appendix to the *Debates* of the Senate of this day. The document is entitled: "Discussions held at Brussels, Belgium, March 19-23, 1973, between Members of the Standing Senate Committee on Foreign Affairs and Members and Officials of the European Community."

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

Hon. Senators: Agreed.

(*For text of document, see appendix, p. 632.*)

On motion of Senator Macnaughton, debate adjourned.

COMMUNICATIONS

LAUNCHING OF ANIK II OF TELESAT CANADA—DEBATE ADJOURNED

Hon. Allister Grosart rose pursuant to notice:

That he will call the attention of the Senate to the launching of Anik II of Telesat Canada at Cape Kennedy, Florida, on Friday, 20th April 1973.

He said: Honourable senators, in view of the lateness of the hour, it is not my intention at this time to say all that I would like to say about the launching and subsequent "landing" (if I may use that earth-bound term) of Anik II. It is appropriate, I think, that I make some statement on it tonight, because it so happens that since we last met, over this weekend—perhaps yesterday on Victoria Day, if that is still the name of the day—Anik II achieved one of the most remarkable performances in the history of Canadian science. After orbiting the earth in the one circuit for several millions of miles at a rate of 125,000 miles per day, Anik II was guided into a new circuit, and to its exact station in synchronous orbit, 109 degrees west longitude within the last few hours. I had the honour, with four members of the House of Commons representing the four parties there, of being present at the launching on April 20, a month ago. I would have to say that it is beyond my comprehension, my mental resources as a layman, to even picture that group of Canadian scientists sitting down or, perhaps, standing up at their instruments on the River Road here in Ottawa guiding this remarkable satellite around the world for these millions of miles then "landing" it in the exact spot in space where they intended to locate it. It is a particularly remarkable achievement in view of the difficulties that others in more or less the same space field have been having. Intelsat, incorporating a much larger organization in the United States, is today at least 18 months behind schedule. Skylab, a $2.5 billion scientific project is in serious trouble. We all hope that the scientists involved in that will be able to salvage enough of the operational effectiveness of Skylab to allow it to complete most if not all of its mission.

[Hon. Mr. Sparrow.]

• (2140)

I mention those two facts only to indicate what a remarkable achievement this has been by our own Canadian scientists. Honourable senators, it is a world "first," the first domestic geostationary satellite linked into a terrestrial communications system.

I will not go into all the details at this time, but it is appropriate that I should call it to the attention of the Senate on this particular night. I have taken the opportunity of calling the attention of the Senate to this achievement for four main reasons: first, it does represent a world first; second, it has been spectacularly successful not only scientifically but commercially; third, it has achieved an immediate payoff in human and social terms; and fourth, its importance to Canada does not seem to have achieved the awareness among Canadians generally that it merits.

It is not easy to describe the emotions one felt at Cape Kennedy when the launch was to take place on April 19. For various reasons the launch was delayed. We were there watching and listening to the countdown. As it was almost at the point of take-off—or blast-off, as it is sometimes called—it was announced that it would have to be delayed for 24 hours.

It was a very minor technical defect which had been detected by the scientists on the job in control—Canadian scientists, by the way. But the next night, just before the sun went down, we were back in the same observation posts and we saw Anik II blast-off on its long journey.

To see Anik II go up, soaring into the atmosphere and beyond, was to realize that here was a unique Canadian achievement albeit with a great deal of help, of course, from our American friends. I say it is a Canadian achievement because although the primary contractor on the satellite itself was the Hughes Company, and the launch pad was, of course, the launch pad of NASA, the National Aeronautics and Space Administration in the United States, a number of Canadian companies took a major part in the construction of the satellite, in the launch, and particularly in the construction of the earth stations.

The satellite has a micro-wave receiving and transmitting system. It is powered by solar cells with an in-house battery capability to take care of its energy requirements during eclipses.

Its purpose is to provide communication via the satellite within the domestic area; but such has been its success that although it was originally designed purely for domestic purposes, four of its channels have now been retained by American firms tired of waiting for Intelsat to get off the ground.

Perhaps more important than the material input into this great achievement is the development on the Canadian side of tremendous human resources. We now have over 200 experts in this important field of space technology in Ottawa and elsewhere. Across the country we have some 37 earth stations and 15 more to come.

Part of the uniqueness of this achievement is the fact that again it is a world first in providing communication to out-of-the-way scattered areas. This is one aspect of the very great social impact this will have. It is often said that one of the great requirements of Canadian high technological innovation is to meet Canadian needs and particularly to specialize in those things which we as Canadians can do best. Anik II fulfils both of those requirements.

Honourable senators, it is very close to 10 o'clock. I should like to put on the record the names of the earth stations and some further facts about Anik II. I will conclude, before adjourning, by saying that "Anik" is the Eskimo word for brother. As we sit here tonight Anik II is up there, 22,000 miles above the equator supporting its brother Anik I, which was another great Canadian achievement when we launched it successfully last November.

Honourable senators, with your permission I move the adjournment of the debate.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 630*)

FOREIGN AFFAIRS

DISCUSSIONS HELD AT BRUSSELS, BELGIUM, MARCH 19-23, 1973, BETWEEN MEMBERS OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS AND MEMBERS AND OFFICIALS OF THE EUROPEAN COMMUNITY

The Standing Senate Foreign Affairs Committee began an inquiry into Canada's relations with the expanded European Community in the concluding months of the last Parliament. It resumed its inquiry in February, and has held seven formal meetings in Ottawa, as well as holding several in-camera meetings with representatives of the Wheat Board and various governmental officials. To complete its study, the committee made a four and a half day visit to the headquarters of the European Community in Brussels from March 19 to March 23, during which short time an intensive series of meetings was organized.

The members of the Senate committee who participated in this visit were: the Chairman (Senator Aird), the Vice-Chairman (Senator Grosart), Senators Asselin, Belisle, Flynn, Lafond, Lapointe, Macnaughton, McElman, Sparrow, van Roggen and Yuzyk.

The purpose of the Brussels visit was to gather information and deepen the committee's understanding of this complex and developing institution. The committee had discussions with three commissioners, Sir Christopher Soames, Mr. Scarascia-Mugnozza and Mr. Finn Gundelach. A committee of the European Parliament led by Mr. Peter Kirk, British M.P., met the committee and had a lively exchange of views, including the possibility of a parliamentary link between the Parliament of Canada and the European Parliament. The Committee of Permanent Representatives, that is, the ambassadors of the member states of the Community held discussions with the committee in a picturesque setting of the Val Duchesse Chateau. This group, chaired by the Ambassador of Belgium, included the Ambassadors of the Netherlands, West Germany, France, Italy, Denmark, Luxembourg and Ireland. The problem of Canadian relations with the Community was a major topic discussed.

The committee met a group of senior Belgian bankers with whom they discussed international trade, financial and monetary affairs, with Mr. Max Kohnstamm, the President of the European Institute for University Studies, and with Mr. Jean Rey, a former President of the Commission on the future directions of Community policies in world trade matters. Viscount E. Davignon, Director-General of the Belgian Foreign Ministry discussed the problems of political co-ordination within the Community. Two members of the Council's General Secretariat, Mr. Jean Doumont and Mr. Kenneth Christofas, explained the basic structures of the Community, including the intricate roles of the Council of Ministers, the Committee of Permanent Representatives, the Commission and the European Parliament.

In addition to the three commissioners already mentioned, the Senate committee had the opportunity to discuss Canadian-Community relations with the following commission officials: Mr. Edmund Wellenstein, Director-General for External Relations, Mr. Franz Froschmaier, Information Director-designate, Mr. Fernand Spaak, Director-General for Energy, Mr. Hans Krohn, Director-General for Development Aid, and Mr. Ronald Grierson, Director-General designate for Industrial and Technological Affairs. With the commission officials, a broad range of topics was broached, including future trade and other relationships between Canada and the Community; the institutionalization of consultative arrangements; the desirability of a Community information office in Ottawa; the trading policies of the Community, particularly at the forthcoming GATT multilateral talks; energy policies, and monetary policies. At all times the committee sought to impress upon the Community officials the international interests of a nation as dependent on foreign trade as Canada, and the desirability of outward-looking policies on the Community's part.

Finally, the committee met representatives of three non-member Community missions in Brussels, the Ambassador of Norway, the Ambassador of Finland and the Deputy Head of the U.S.A. mission. With these the committee had an opportunity to discuss common problems and opportunities for closer relationships between the Community and Canada.

The success of the committee's mission to Brussels was due in the first place to the keen interest shown by the representatives of the Community in a visit from Canadian Parliamentarians, and in the second place to the excellent operational arrangements by Mr. Peter Dobell and Mrs. Carol Seaborn of the Parliamentary Centre on Foreign Affairs and Trade and Commerce, and Mr. Eric Innes, the special secretary for the visit.

The Canadian minister accredited to the Community, Mr. James Langley, an experienced diplomat highly regarded by his opposite numbers in the Community, supported the committee throughout the discussions by his personal presence and invaluable advice and the untiring efforts of his capable staff.

THE SENATE

Wednesday, May 23, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1972, pursuant to section 10 of the Department of Consumer and Corporate Affairs Act, chapter C-27, R.S.C., 1970.

INCOME TAX

STATISTICS RE FILING OF PERSONAL INCOME TAX RETURNS—QUESTIONS

Hon. Jacques Flynn: Honourable senators, may I ask the Leader of the Government if he could, at his convenience and, of course, the convenience of the officials of the department concerned, inquire as to how many Canadians filed personal income tax returns for the years 1969, 1970, 1971 and 1972. Of course, as far as 1972 is concerned I realize it will likely be only a forecast.

Would the Leader of the Government also inquire as to how many Canadians actually paid personal income tax for the years 1969, 1970, 1971 and 1972, and, again, as far as 1972 is concerned I realize it may be only an estimate.

I should also like to know the total amount paid in personal income tax for the years 1969, 1970 and 1971, and the expected revenue from personal income tax for the year 1972. Perhaps the Leader of the Government could have the Department of National Revenue do the arithmetic on that and provide me with the average amount paid in income tax by a Canadian taxpayer for the years mentioned, and the projected amount to be paid by a Canadian taxpayer for 1972.

Hon. Mr. Martin: I take these questions under notice. I will try to get an answer as quickly as possible. I know, that, included in those statistics will be some of mine.

PRIVATE BILL

NATIONAL DENTAL EXAMINING BOARD OF CANADA—FIRST READING

Hon. Paul Martin: Honourable senators, I see that Senator Phillips is now here. He spoke to me earlier in the day, and I know he wants to deal with his bill. As the item has already been called, I wonder if it could be agreed that we revert to Presentation of Petitions so that Senator Phillips might have the opportunity of presenting his bill?

The Hon. the Speaker: Is it agreed, honourable senators, that we revert to Presentation of Petitions?

Hon. Senators: Agreed.

Hon. Orville H. Phillips presented Bill S-7, respecting the National Dental Examining Board of Canada.

Bill read first time.

Hon. Mr. Phillips moved, with leave of the Senate and notwithstanding rule 44(1)(f), that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

Hon. Mr. Martin: Might I ask if copies of the bill have been distributed? Some honourable senators, I know, would like to have a copy.

Hon. Mr. Phillips: The Honourable Senator Martin is Leader of the Senate, and consequently, in essence, runs the Senate. I presume that he has checked this point. I have not. I have good faith in him in distributing bills and I presume they have been distributed. I cannot imagine a situation in which Senator Martin fails.

FOREIGN AFFAIRS

MEETINGS OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS AT THE EUROPEAN COMMUNITY, BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Grosart calling the attention of the Senate to the meetings of the Standing Senate Committee on Foreign Affairs held at the European Community in Brussels, Belgium, 19th to 23rd March, 1973.

Hon. Alan Macnaughton: Honourable senators, in the last few days we have been privileged indeed to listen to the Honourable Senator Lamontagne and the Honourable Senator van Roggen give two remarkable speeches. Those two speeches dealt in effect with Canadian-American trade relations and Canada's development as a manufacturing nation in the light of world trading patterns today. Both of those speeches indirectly concerned the European Common Market, which is our inquiry under discussion this afternoon.

As honourable senators well know, the Senate Committee on Foreign Affairs has been actively studying Canada's relationship to the European Common Market, and as a consequence a special Canadian delegation from the committee visited Brussels a few weeks ago to study the actual institutions there and to meet as many officials of the Community as was possible within the time.

Seventeen regular committee meetings were held in four and a half days. These were not social affairs but were sit-down face-to-face discussions that often lasted two hours or more.

In view of the detailed report which we hope will be brought out by the end of June, it is my purpose this

afternoon merely to give some impressions and perhaps reflections on the European Community set-up.

The European Community today is an inner directive body. It is caught up in any number of problems related to its further development. Each of the member states is confounded by domestic, political, economic and social issues. They are like so much of the rest of the world, including Canada, where there are more problems than are able to be resolved.

The Community approach to Canada, the United States and Japan is one of passivity and a certain degree of defensiveness. There is danger of a trade conflict. There is mutual ignorance on both sides of the Atlantic. If we do not understand the Europeans, there is also the fact that the Europeans fail to understand us. All of this leads me to the point that the visit of our delegation to Brussels was timely and, I believe, very necessary.

Canada made a unique contribution in the post-war period to foreign economic policy, and so it follows that we should bring ourselves up to date on what is happening in the European Community. We do have a stake in the international economic system, in that our gross national product is dependent upon trade. We have a natural relationship with the European Community. We are in the unique position of having both the Atlantic and Pacific oceans on our shores.

We do have a feeling for Japan which Europeans and Americans do not have to the same extent. We may even have an opportunity to bring together the developing trading blocs which are in process of formation in seeking a liberalization of trade.

My purpose this afternoon is not to go into detail but to give some wandering impressions drawn from the visit to the Community a short time ago. *Canadian Business,* for example, for May 1973, says in part:

● (1410)

> The European Economic Community is an affluent and high-consumption society of 258 million people . . . This powerful new trading bloc now of nine countries . . . in the short span of hardly 20 years has grown into a unit whose voice is being heard more and more in world affairs and whose decisions and plans are upsetting the traditional patterns of international relations.
>
> The Europe of yore is being rebuilt into a new society where intellectual and material resources are being pooled to provide a better standard of life for all its inhabitants . . .
>
> Europe's old boundaries, traditions and preferences are being torn down in the construction of a community in which people, goods and capital can flow freely from the Baltic Sea to the Mediterranean and from Galway Bay to the Adriatic.
>
> This new and dynamic society grew out of the audacious French plan—devised by Jean Monnet and presented in 1950 by Foreign Minister Robert Schuman—to pool the coal and steel resources of Europe's arch rivals, France and Germany, into a community. And hardly eight years later, when the Six affixed their signature under the Treaty of Rome, the groundwork was laid for the merger of these former competitors into one area of economic policy.
>
> In spite of numerous difficulties and nationalistic setbacks . . . unification flourished and . . . has withstood the winds of adversity and discord.
>
> The enlarged EEC with its customs union, common foreign trade, agricultural, scientific, energy and social policies now is one of the economic markets to be reckoned with. Its council of ministers is working on such projects as a common transport policy, a monetary union, unified fiscal and safety regulations, free trade arrangements with the remaining Western European nations, common patents and law policies and, perhaps the most ambitious of them, all, a political unity within the foreseeable future.
>
> The formation of this massive economic bloc is an event which Canada cannot afford to ignore. On the contrary, with the pattern of world trading trends having changed dramatically, Canadian businessmen would do well to investigate the opportunities provided by this fast growing importing entity.

The free-trade agreements with Sweden and other EFTA countries will end the split in Europe between the two trade blocs. Thus one tariff-free market comprising 16 countries and 300 million people will come into being.

Is it any wonder, therefore, that we should try to find out what is going on and where it is all leading? Considering the whole process of European unification we should never forget the political impulse behind the Community. This was its original incentive and this is what the whole process is about today.

The political dream, the idea of a federated supranational Europe is going to take a long time to bring about. At the same time, to quote Ambassador Schaetzel, a witness before our Standing Senate Committee on Foreign Affairs, "... there is a kind of glacial force about this which is moving it along and may very well be moving the people in it along despite what they want to do." He went on to say that "In economic terms, the reality of the Community is its size and the influence that size brings to bear for good or ill. It is manifestly an imperfectly organized body, and it does not fit any political framework with which any of us is familiar."

Nothing is more natural than that the Community should be primarily concerned with their own inner problems. This makes it all the more important that a country like ours should knock at their door and make them aware of what is going on elsewhere in, particularly, as I think we can call ourselves, one of the advanced countries. It is surely our job to make them aware of another major country, Canada, which is doing interesting things which affect them and the international system.

We are entitled to ask them the kind of system they envisage and where they want the world to go. These are questions they really have not answered yet.

The Community policies are being formulated and the identity of the Community is being struck, therefore it is important to get at them before decisions have been reached. I am glad to report that we had in effect very full contact with the commission and the Council of Ministers and with the Committee of Permanent Representatives.

With the invaluable aid and assistance of Ambassador Jim Langley, we were able to have important consultations with all these groups.

But even the Community with all of its complexities is, as in any democratic society, subject to pressure groups, whether business, labour or members of the intellectual community. Of course our delegation could be considered a pressure group, and why not.

Other members of our delegation will no doubt deal with the important question of agricultural policies of the EEC, the amount and value of our trade with the Common Market and contrast it with our trade with the U.S.A., the danger of trading blocs, trade relations with Russia, Japan and others and internal Community stresses and strains. But there were two questions which were of more than passing interest to me and to which I want to draw your attention. The Community has a mission in Washington which I presume tries to keep in contact with the various forms of the United States system. Canada has failed to have a similar mission from the Community here, and it was our purpose to advocate and try to persuade that this should be done at the earliest opportunity. What are the reasons? If there is ignorance on both sides, then it is time that we establish a commission to find out the facts. One way to do this is to find out about what is going on and so advise the Community of events in Canada. The other side of the coin is that the mission should bring to the attention of Canadian officers and authorities information about the Community and what is going on. It makes good sense for the Community to keep us up to date on events within their association.

I feel we are justified in saying that the Community has an obligation to establish an office in Ottawa which will meet the problem of explaining themselves to us and being a channel of communication to us. Therefore, we advocated the need of a mission founded on the competencies of the Community and which can do two things: the task of informing Canada and of being a channel of communication back.

Step one is to at least have an information office here. As to whether we succeeded in this effort, time will tell, but as to the need for an information office here, I think the case is incontestible.

The second matter in which I was particularly interested was the European Parliament, and I am indebted to W. A. Procter for much factual information given in his article in the April 1973 edition of the *Parliamentarian*. In the European Parliament there are 12 standing committees, and these committees discuss major sections of Community policy. The question obviously arises as to what influence the European parliamentarians have upon the Community. When this question was put to Ambassador Schaetzel, a witness before our committee here, his opinion was that the European Parliament is a highly ineffective body in parliamentary terms. It has ambitions. The treaty calls for direct election of the Parliament. It has limited powers. It is, in his opinion, a largely powerless body. It does have certain useful functions now and is bound to have more useful functions in the future. He goes on to say that the big issue which surrounds this subject among Europeans is the path that should be taken to achieve a more responsible parliament within the European construction. It has been referred to as responding to the need for the Community to acquire political legitimacy. At the present time the Community is an undemocratic body. The commission is an appointed body. The Council of Ministers operates in secrecy; actually their discussions are in secret but the proceedings are immediately known, so they lose both ways.

● (1420)

There is a frustration in Europe which one can sense. It is just not right to have decisions of such profound consequence in the economic, social and political life of 250 million Europeans made by a process which is manifestly undemocratic. The pressures are such that in one way or another they will move in the direction of a more powerful parliament. The central issue is whether this comes by direct election of the parliament or by way of the budgetary process or appropriations, which is the normal way that parliaments in the British-inspired systems have acquired authority.

Your delegation was very fortunate in having a two-hour session with approximately 50 members of the European Parliament who were present in Brussels. These members were from Germany, Holland, Belgium, Italy, France, Ireland, Denmark and also from the United Kingdom. In fact the meeting was chaired by a Conservative member from the British House of Commons. I think it is obvious that it is only a matter of time before the parliamentarians begin to assert themselves, as in fact they should. The process has begun in connection with the budget of the Community, which over a period of time will see the parliament acquiring increasing authority in this area. Perhaps there will be direct election of the parliament coming later. Peoples generally inside the Community will demand a greater control of the bureaucracy, and the one sure way to do this is through the duly elected parliamentarians.

It is estimated that members of the European Parliament spend 80 to 120 days each year in session or in committee work; this is in addition to their normal parliamentary work at home. The European Parliament, and its forerunner, has been in existence for 20 years but it faces many new problems today, arising not only from the enlargement of its own membership, such as the recent addition of Denmark, Ireland and the United Kingdom, but also from the expansion of the activities of the European Community into new fields. Common regional policy, monetary union and the move to political union are all envisaged within the next 10 years. They will all involve the European Parliament in an increasing burden of routine legislative work but, also, as community decisions come to impinge more directly on the lives of ordinary people they are likely to give added weight to the demand for more directly representative Community parliament. Perhaps I should say a word about the nominal membership of the parliament. It is as follows: Belgium, 14; Denmark, 10; Federal Republic of Germany, 36; France, 36; Ireland, 10; Italy, 36; Luxembourg, 6; Netherlands, 14; United Kingdom, 36. The total is 198. The number of members in each delegation varies roughly according to population, but the smaller countries are allotted a number of seats larger than they would have on a strictly proportionate basis, so that even the smallest should have

a delegation large enough to represent all its principal political parties. The four largest countries have equal representation, although their populations vary somewhat in size.

The United Kingdom did not send a full delegation of 36 members, but only 21 members at the moment—13 from the House of Commons and eight from the House of Lords. This is due to the Labour Party having decided it would not, for the time being, nominate members.

Unlike most international parliamentary assemblies, the European Parliament gives considerable prominence to political groups in the organization of its work, since it is widely felt that the parliament should seek to emphasize the European character of its deliberations, and to minimize purely national considerations.

During sessions, members sit with their political groups and not in national delegations. On the whole, the European Parliament has preferred to influence the commission by regular consultations in the relative privacy of its committees, rather than to compel the commission to answer for its actions and its policies in public session under the threat of dismissal.

The European Parliament in due course will have direct control over the administrative budget of the Community, and on the basis of these powers the parliament will be able, if it wishes, to expand substantially its scrutiny of Community activities.

Mr. Peter Kirk, leader of the Conservative delegation, in making his maiden speech in the European Parliament, referred to reforms which the Conservative group would be proposing as part of the overall policy to ensure that the European Parliament becomes more democratic and effective. In part he said:

> Without an effective parliament, our Community is in danger of strangling in bureaucracy or drowning in apathy. The more we have examined the situation, the more astonished we are at the latent power which this parliament could have, if only it would use it. We hope to play our part in this through things like questions, budgetary control, and other measures, some of which we have indicated in our document.
>
> Our policy is a simple one—power to the parliament. Our rules must be shaped with that and that alone in mind. Power over the commission first because that is implied in the treaty, but we must examine our relations with the council as well. Here, we shall need to proceed in the closest co-operation with our national parliament and the close accord between us here, and those remaining in parliament at home, is something else which needs to be developed with the utmost urgency. By these means this parliament will live, and the people will clamour to be directly represented in it.

One first result of this was the decision taken on January 18, 1973, to make a 60-minute question time a regular part of the European parliamentary sessions.

I might say in passing that the addition of the United Kingdom to the European Community has been enthusiastically anticipated by many of the nations within the Community, because it is felt that the phlegmatic English, with their certain ability for parliamentary government, can apply a great deal of practical knowledge to the complications which are developing, as one might expect would develop in any organized community. It is only a matter of time, therefore, before the European Parliament assumes much greater authority and probably direction for the Community.

Having in the past been instrumental in setting up the Canada-France Interparliamentary Group, and having had quite a bit to do with the other Canadian interparliamentary groups, it seemed to me only right and proper that, after consultation with my confreres on the delegation, Canada should advocate and suggest the setting up of a Canada-European Common Market Interparliamentary Group.

It is only fair to say that this had not been considered by the European parliamentarians. The reaction to it, however, was immediate, and after considerable discussion with the parliamentarians it was decided in principle that they would look into the matter and see what could be done. While an interparliamentary group with Canada might be very attractive and even necessary, the matter has to be decided in principle, keeping in mind the other requests from other nations that might follow.

We argued at the time that none of us wanted more groups, more committees, that we seemed to have enough; but over the course of many years it has been proven beyond any shadow of doubt that these interparliamentary associations—our contact with the United States, with France, with the United Kingdom, the CPA, the IPU, and all the rest of them—while in some instances they may look to be somewhat like a waste of time and effort, they do bring us together and provide an opportunity for getting to know each other.

I need only cite our close relationship with our American confreres in the American Congress for honourable senators to appreciate that in times of stress and trouble we can, by means of the telephone, communicate with our friends in the United States and in the Canada-United States parliamentary group for the purpose of discussing difficulties which exist between our two countries. 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.

The setting up of a means of contact between a group of Canadian parliamentarians and parliamentarians from the European Community may appear, at first sight, to look like just another delegation and to be somewhat of a waste of time. It is not so, in fact. It is a very useful first step. But I say to you in all sincerity that the more contact we have with a trading bloc, with a cultural bloc, with an amazingly intellectual bloc of people which comprise the European Community, the better for our country, and the sooner we get to it the better. Consequently, that was some of the justification for the suggestion from your delegation that we should open up mutual contact with the parliamentarians in the European Community.

● (1430)

I think I am safe in saying that the delegation did make one little breach in the high wall surrounding the Community, and we are hoping that in due course this point of contact can be pursued to the mutual advantage of

Canadians and the parliamentarians in the European Community.

There are other matters that one could speak to as a consequence of this study of the European Community. I will, however, restrict myself to a few key quotations which, to me, set out in stark contrast the basic problems.

In the November 1972 issue of *Fortune*, Ambassador Schaetzel wrote as follows:

> The drift toward mutual hostility threatens to retard the growth of world trade and to complicate reform of the international monetary system. Most important of all, it could weaken the common cultural, economic, and defense interests that link the nations of the Atlantic community.

In his testimony before the Standing Senate Committee on Foreign Affairs—and I use excerpts from his testimony because they support the thesis I am trying to make—he made the following statement:

> The sentiment in my own country vis-à-vis the Community is hostile—

And there he is referring to the United States.

> —in large part because of the tariff issue—with the preferential arrangement and agricultural policy certainly entering in—but trade issue is the heart of the matter and that is setting the whole tone of our relationship.

Referring to the United States common market.

> Yet there are many other matters which now are, and in the future will be, of infinitely greater importance. Quite clearly, one issue is the whole field of non-tariff barriers, the other devices countries use to interfere with the efficient movement of goods and services. Another question is this: What kind of monetary system do we want to put together? Are we going to move towards control of capital movements? Are we going to encourage or discourage investment? What is the role of the multinational corporation, which is a new phenomenon of the last 10 to 20 years? What are we going to do about energy and about pollution? What are we going to do in relation to the less developed countries? And, finally and most important from our standpoint—and I submit that it is from Canada's too—is the whole question of international investment. What kind of investments? What returns on investment? What will be the climate for investment? Unfortunately, we are being skewered on this tariff issue, and the tragedy of this, to me, is that it is the wrong issue and it shows every sign of being handled badly. If it is handled badly, it is going to be impossible to deal sensibly with the other issues.

And later on in his testimony he stated:

> I think all of us have some responsibility not to hold the Europeans responsible for all of our problems . . . we continually have a choice of whether we will give a further push toward nationalism and protectionism, or move toward a liberal solution.

Mr. Plumptre, when he was a witness before our committee, after referring to the neutrals in Europe, to those on the north side of the Mediterranean, to others on the south side, to African countries, and so forth—a whole host of new relationships to the Community—said:

> No wonder the Community is very inward looking at present. The pre-occupations are really quite staggering. Yet it comes at a juncture in world history when outward-lookingness is highly important.
>
> That leads me to turn to the position of the United States, about which I would like to make some remarks. At this juncture in world history the United States also has some internal pre-occupations. President Nixon has identified many of them in his recent messages—lawlessness and violence, drugs, inflation, unemployment, bulging bureaucracies, which is not confined to the United States, urban sprawl and decay, pollution, and the preservation of the environment, resource exhaustion, and so forth—there are many internal pre-occupations for the United States.

And later he said:

> If by mischance or mismanagement the world does break up into blocs, hostile or other, there is no question in my mind where Canada will end up—i.e., in North America. There is no question in my mind; there is no viable alternative in any other direction. Geography, propinquity, common languages, common technology, the mass media, all sorts of things will tend, if the world does break into blocs, to mean that we will be in the Western hemisphere bloc or, if you like, in the United States bloc. That being the case, it seems to me quite clear that we should bend every effort to avoid a world which does break up into blocs, whether one speaks in terms of not wanting to be in the American bloc or simply desiring a reasonable degree of independence of action for this country.
>
> This brings us to an interesting paradox, which I am sure is true, that the best way to avoid being taken into the American camp is to support the initiatives that they are making at the moment for a multilateral non-discriminatory world. Helping the United States may seem to some to be cuddling up to the United States. In fact, it seems to me to be the one and only way of escaping from American dominance. I just repeat that this does not mean that we should not have the sort of initiatives Mr. Pepin and Mr. Sharp have put before you to encourage and broaden our trade, to broaden our perspectives. However, as I have already said, I do not expect these to change our fundamental position of heavy dependence on the United States.

Then Senator Carter asked this key question:

> Do you see a prospect for Canada's developing a sizeable trade or a sufficient trade to offset the policy of the United States? Can we develop a sufficient trade with the Common Market to offset that possibility?

And Mr. Plumptre replied:

> Not to offset it, but to ameliorate it. But, again, I think I must come back to the proposition that this is not a bilateral problem but a global problem. The question is not whether the Europeans will reduce tariffs vis-à-vis Canada, but whether there will be a general reduction of trade barriers, both tariff and non-tariff, which will allow a substantial expansion in trade and, in a

measure, reduce our short run, because, as you know, the problem of short runs is one that our manufacturers are typically faced with. But, as I have said, it is a global problem and simply not a bilateral problem, and this is why I hope we will be able to give very vigorous support to global initiatives which come from the United States, although not always in accents which we find very attractive.

Honourable senators, surely there is room for great manœuvre as indicated in the comment that Ambassador Schaetzel made before our Foreign Affairs Committee when he said:

> There are some things which ought to be responsive to quiet diplomacy, when we have enough confidence to say, "We have this issue. Is there anything we can do about it?" If you begin a process of solving problems rather than worsening them—which is basically what we are now doing, or dramatizing them—and then put on top of that something that has been implicit in our discussion but which I should like to make explicit, which is to search for areas of co-operation, you can change the tone of international affairs; this can be done if you begin to put some emphasis on those things in which you are working together rather than always turning the spotlight on those things which are going wrong, and which will always go wrong.

Honourable senators, do I need to stress the obvious? Canada has a great role to play as a bridge in the first instance between the European Community and the United States of America and even, perhaps, as between Japan and the other major trading countries in the world.

● (1440)

Those, then, are some rambling comments on your delegation's trip to the European Community. All of us will look forward with the greatest interest to the detailed report, which is now in the course of preparation by the Standing Senate Committee on Foreign Affairs, dealing with the European Common Market and its relation to Canada.

Hon. Mr. Walker: Could I ask the Honourable Senator Macnaughton a question? He has just made a very able and searching speech, something I would expect from him. The opportunity has been present for Canada now for some time to try to get in on this European Economic Community in the way of trade. Senator Hamilton McDonald and I were at Brussels two or three years ago and we voted then, along with the Honourable Alastair Gillespie, who is now Minister of Industry, Trade and Commerce, to make some overt act to try to get in on the ground floor. We cannot be members of the Community; we know that; but we can trade with them. Has any step yet been taken by the government to open the way Senator Macnaughton is now suggesting, or are the suggestions he has so ably made the initial proceedings in what we hope will be development in the future in Canada's relations with the EEC?

Hon. Mr. Macnaughton: I think the immediate answer is that the Canadian government is fully aware of the tremendous impact the Common Market will have on world trade. To that extent, one of their first steps has been the appointment of Ambassador Langley as Special Canadian Ambassador to the European Common Market. We also have in Brussels a Canadian Ambassador to Belgium. All those on the delegation were very much impressed with the efficiency, knowledge, capacity and initiative of Ambassador Langley. He stood on his head, as it were, to make sure that we met the right people and had sufficient time to discuss matters with them. As I have said, it was not a social visit. It was a hard-working visit by a subcommittee of the Standing Senate Committee on Foreign Affairs.

Other steps have been taken. As you will have seen, the Minister of Industry, Trade and Commerce was over there recently. I know that all the trade officials in his department are burning the midnight oil.

Perhaps I could make this point. Sometimes businessmen can do a great deal. Sometimes parliamentarians are criticized for not doing very much, but I will make this statement, unsupported though it may be, that visits by informal delegations of parliamentarians, such as we had, either from the Senate or the other place, or joint visits, can do a great deal to open doors that the trade officials cannot, and that even ambassadors cannot necessarily open. That is because many of us have the background and experience of the positon; we can get in on the ground floor and discuss these matters as ordinary people should discuss matters together, and we can reach into the hearts and brains of our counterparts on the other side. This, I am sure, was accomplished.

When I said quite casually in my remarks that the European parliamentarians were taken aback at our suggestion that we should perhaps set up one more organization, they were taken aback because they had not thought about it; they were so busy with their own affairs. Besides that, many of them have not had any experience with the inter-relationship between parliamentarians that we have had so successfully with the United States, France, Britain and other countries. This seemed to them to be a red-hot idea, and they said, without deciding in principle, they were all for it. This is one breach we can make. The Department of Industry, Trade and Commerce will have to make more breaches; Canadian ambassadors will have to do their bit, and so on up and down the line. The point I am making is that just to sit here and wait for events to happen is not good enough. We have to get on the ball, otherwise we may be outside the trading picture.

Hon. Mr. Walker: That is excellent; I agree with everything you say. Until the visit of this very important delegation, of which you were one, nothing has really been done. I am glad to hear that you have initiated this idea, and that it was a great surprise to the European people that such a thought could have even been contemplated in order to open the way. You are just two years later than you could have been.

Hon. Mr. O'Leary: I would like to ask Senator Macnaughton a supplementary question. Did the members of the Community with whom your delegation talked indicate some particular concern, or any concern at all, about the position of Canada with respect to the union?

Hon. Mr. Macnaughton: With respect to the Community?

Hon. Mr. O'Leary: Yes.

Hon. Mr. Macnaughton: To be frank, they are involved with a great many internal problems. From the outside it looks as though everyone is having quite a ball; they are all agreeing, all going out for dinner together. It is not so. The countries making up the Community all have their own difficulties in selling the Community to their own citizens, regulating their monetary policies, their agricultural policies, their trade policies. All is not hunky-dory inside the wall, so to speak.

I repeat, for some reason which I cannot exactly put my finger on, Canadians do seem to go over with foreign peoples. Perhaps this impact was made by the modest, inquiring attitude of our delegates to the Community.

Hon. Mr. Walker: Speak for yourself.

Hon. Mr. Macnaughton: Also, we should not forget that we are one of the great trading nations of the world. We are sitting on a Pandora's Box of goodies of resources, energy and other things, in which they are very much interested. For example, we were told that they have 45 days' supply of oil in Europe at any one period. Perhaps we have a little bit more, but I think in the future we will have considerably more. In other words, we are in a position to make a useful economic deal, to say nothing of the intellectual parliamentary contribution we can make to them.

We have mutual questions, such as those concerning environment. I will not get on that "kick", but what is the use of our passing laws here in that respect unless they co-operate there. The world is still one world, whether we like it or not. Do not forget, we have a long history. Well, long to us in any event. Many of us come from races that started over there from other nations. We have this relationship. We have a cultural relationship, both French and English; we have a musical relationship through Italy; we have an artistic relationship through Greece, Rome and so on. We are not a bunch of foreigners who have just landed from Mars. We have a good deal in common. I think we have the ability not to slam desks like John Connally and say, "You are going to do this," but we have the ability to open the door.

Hon. Mr. Martin: Not our John Connolly.

Hon. Mr. Macnaughton: Certainly not our Honourable Senator John Connolly, but the Connally south of the border who, I take it, is not the most popular man in Canada. In any event, we have this ability to open the door and say, "Come on, let's talk together. Let's see what the problem is and resolve it in your interests and ours." There is nothing wrong in that.

Hon. Rhéal Belisle: Honourable senators, it gives me a great deal of pleasure to follow Senator Alan Macnaughton, such a distinguished orator, who made his talents known in the other place. I wish also to thank the Honourable Senator Grosart, the Deputy Chairman of the Standing Senate Committee on Foreign Affairs, for introducing this motion.

May I be permitted to say that the journey we made to study the European Community and the Common Market was very tiring, though it was immensely interesting. In passing, may I also be permitted to say that I was extremely proud of my senator companions for the way they performed their duties. The questions asked and the discussions we had with all the people concerned with the Common Market were by people who had done their homework.

● (1450)

It is not my intention to mention all those who were on the committee but I would like to mention the Leader of the Opposition, the Honourable Jacques Flynn, who added knowledge and lustre to our trip. I wish to express my gratitude to Senator Aird for his able chairmanship, for his fine example and most useful contribution to Canada's role in foreign affairs. I would make special reference to the recognition he has won for Canada in the United States and elsewhere as a member of the Committee of Nine, the Europe-North America Conference and the Canada-United States Interparliamentary Group.

Further to Senator Aird's observations, I would like to address myself to the impact of the enlarged European Economic Community on Canadian trade and its challenge to Canadian business. During the long period of negotiations leading to Britain's joining the EEC, Canadians have anticipated the prospect with mixed feelings—of alarm, despondency and wary optimism. Today there are many who believe that the long-term gains will counteract short-term losses and that most Canadian exporters will in the long run benefit from Britain's entry into the enlarged Community.

In 1970 merchandise exports to Britain amounted to about $1.5 billion, which represented 8.9 per cent of Canada's total exports. Britain was Canada's second largest market. It has been estimated that about 55 per cent of Canada's exports, amounting to approximately $800 million in 1970, will continue to receive duty-free entry or face nominal duties or be subject to quotas. The balance, 45 per cent of Canadian sales to Britain, will face more difficult access. These include wheat, barley, tobacco, lead, aluminum, zinc, steel and paper products other than newsprint.

It is undeniable, therefore, that difficulties will arise for some businesses and sectors of the Canadian economy to which the United Kingdom market has been of special importance. These will be adversely affected as Britain replaces the imperial preference tariff with the common external tariff. However, arrangements are being made to provide Canadian exporters with a five-year period of tariff adjustment ending in July 1977.

If I correctly understand the message given to the Canadian delegation by the Europeans, it is widely expected that economic growth in Britain will accelerate to the benefit of Canadian exporters.

May I also add that the new round of tariff concessions under the auspices of GATT could lead to mutual concessions to the extent that the full common external tariff could be minimized. There is nothing in the GATT or in Canada's bilateral obligations which in my view would urge her to discontinue present trade preferences. In terms of Canadian interests, the bargain Britain has made with the European Economic Community is a lot better than it might have been. The British delegates have argued, and I believe with justification, that Britain will become a better trading partner for Canada within the enlarged Community than if she had stayed outside. However, gains will only materialize with effort on our part. If

Canadian business fully exploits the immense opportunities offered in this vast European economic and trading bloc, then the benefits to the Canadian economy will be considerable.

Honourable senators, we must never forget that the European Economic Community, as was so well explained by Senator Macnaughton, is a group of nations each seeking solutions to internal and international, political, social, economic, fiscal and monetary problems. The "Nine" must, however, face the world as soon as possible as a community of co-ordinated trading partners with a common economic front. Sir Christopher Soames made that point clear when he said that "Europe will speak with one voice in this area."

The complex problem facing the nine member countries in their efforts to achieve a community, and the struggle to find solutions, have tended to obscure the growing economic power of this colossal trading bloc with a population of over 250 million. Canadian exporters should take heed of a number of trends based on current trade figures.

The enlarged EEC will be the first trading power—a market for 40 per cent of the world's imports. It will account for approximately 25 per cent of world trade; the U.S. now has about 17 per cent. In 1970 the EEC imported $45 billion worth of goods and services from the outside world, maintaining the 17 per cent annual increase registered in 1969. The United States imported over $50 billion worth. In this, Canada's share was $1.2 billion, approximately 2.7 per cent of total community imports. The Community's international reserves at the end of 1971 were $50 billion, and they are still growing.

The GNP of the enlarged EEC will be second only to that of the United States. In 1958 it was over $175 billion; in 1970 it was over $500 billion compared with $974 billion in the United States. It has increased in real terms by over 5 per cent per annum.

The EEC is the largest and fastest growing region for international corporate investment. The investments of the United States in the Common Market total $20 billion, or 25 per cent of its world-wide investments.

Significant increases in trade can be expected within the enlarged EEC as well as with those countries linked to it by preferential trade agreements such as the African states and the Mediterranean countries.

The effect of EEC enlargement on Canadian exports cannot be overemphasized. By 1980 the Community will represent an economically integrated market of about 270 million people with a gross Community product of around $700 billion. Based on present trends, some economists have estimated that the EEC will purchase from the outside world nearly $70 billion worth of goods by 1980.

These trends point to only one conclusion, that this is the market in which Canadian businessmen and exporters must operate. To my thinking, this is the challenge laid before us by the new enlarged EEC.

In 1970 Canada increased her exports to the EEC by 41 per cent, but in a large measure the increase was in industrial raw materials. In our discussions with Community officials, we are assured that the enlarged EEC will continue to depend on Canadian raw materials and primary products, and that the expanding market for secondary manufacturers will also be available to Canadians, though on a highly competitive basis.

In 1970 Canada exported approximately $800 million worth of metallic amd mineral products to Britain. Of these, nickel $200 million, primary copper $162 million, and aluminum ingot $108 million, were the biggest items.

● (1500)

For the majority of mineral commodities for which Canadian producers have enjoyed free entry to Britain in the past, without any preference over other supplies, there will be a zero tariff for such imports into the EEC. British membership, therefore, will not alter the terms of access. However, this will not be true for aluminum, asbestos, steel and lead or for nickel in the form of nickel oxide and zinc in the form of pigs, blocks and slabs.

Furthermore, I might hasten to point out that British membership in the Community in practice means to Canadian businessmen greater competition in Britain for Canadian goods from EEC goods. The removal of tariffs and other barriers to trade between Britain and the member countries now makes it easier for Community products to be sold in the United Kingdom. Secondly, membership in the enlarged EEC provides new opportunities for British companies which previously have sold to Europe or which now want to sell in the expanded common market. Thus, lower tariffs and easier access to a larger market must provide the British businessman with a greater incentive to trade with Europe than with Canada.

Having said that, honourable senators, I must dispel a fear that I hear occasionally expressed by Canadian businessmen who export to Britain. British membership does not mean an automatic decline in Canadian exports to Britain in preference to European goods, or an increase in British exports to Europe in preference to Canadian. Our trade officials see it as being up to Canadian businessmen to increase their marketing strategy in Europe, and they can possibly achieve this through the established avenues of trade in the United Kingdom.

I certainly endorse that approach for a number of reasons. First, Britain essentially has been a traditional importer of Canadian raw materials. Some of these can be only partly provided from EEC sources, and, as future demands increase, many materials available in Canada could be in short supply throughout Europe and more costly to produce there. Some examples would be timber, pulp, cereals, chemicals, non-ferrous metals, and so on. Secondly, consumer preferences in Britain for such products as hard wheat and barley, which essentially are not available in the Community, will continue unless substitutes are found. Export demand for these Canadian products will therefore be unaffected. Thirdly, there is great potential strength in the close ties that have developed over the years between Canadian and British business. Canadian producers are already well established in Britain with representative offices and production subsidiaries in some cases. It would be safe to say, therefore, that Britain is the logical base from which to increase Canadian sales in an expanded EEC. Finally, we must not forget the political, cultural, corporate and investment ties between Canada and Britain which have strongly

influenced uninterrupted trade between the two countries for over a century.

An analysis of these facts, honourable senators, can lead to only one conclusion: While there may be some short-term disturbance in Canada's trade with Britain, the overall position of Canada's exports to the enlarged EEC should be one of continued growth in the long term. This growth will only be achieved by soundly-based marketing programs implemented by aggressive businessmen who know their products, markets and competition, and are prepared to invest wisely in Europe.

While Canadian investment resources cannot be compared with those of the United States, Canadian government and business leaders can learn a number of lessons from the experience of that country. Investments abroad do not "export jobs." On the contrary, they tend to increase jobs and exports in the investing country. Countries outside the EEC can successfully market their products inside the EEC by using a variety of approaches: direct export, selling through distributors and agents, licensee arrangements, joint ventures, direct investment in facilities inside the Community, et cetera. Important new opportunities for overseas sales will continue for aggressive Canadian exporters, in both the enlarged EEC and those countries tied to the EEC by preferential trade agreements. Canada's long-term trade policies for the EEC should not be only "export" orientated, but should encourage a co-ordinated approach to both foreign investment and export, and Canadian businessmen should give serious consideration to the advantages of a British-based subsidiary.

Experience has demonstrated time and time again the many advantages offered to a new foreign business which establishes itself in a country where the legal, commercial, cultural and linguistic patterns are similar to the country of the parent company. On the other hand, it can be equally argued that advantages are to be gained by a foreign subsidiary that establishes itself in a highly diversified and economically-integrated market, such as the enlarged EEC, where the barriers of language, race and religion are broken down and the free movement of labour, capital and other economic factors are encouraged. For Canada to ignore this would be folly.

Through economic and political union, the enlarged EEC of nine member countries is a reality—and Britain is now one of its most important members. While there will be short-term dislocations from which some Canadian companies may suffer permanently, I believe that the majority of Canadian exporters will reap long-term benefits. Canada has a unique position with its bicultural and traditional trading ties; more important, if Canada wants continued economic growth, she must expand her foreign markets.

Therefore, Canadian industry and government together must regard the enlarged EEC as an exciting challenge and the most important marketing opportunity of the seventies. Viewing the new Community in this light, the Canadian businessman must develop his interests in such a way that his future in the EEC is secured.

On motion of Senator Lafond, debate adjourned.

COMMUNICATIONS

LAUNCHING OF ANIK II OF TELESAT CANADA—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Senator Grosart calling the attention of the Senate to the launching of Anik II of Telesat Canada at Cape Kennedy, Florida, on Friday, 20th April, 1973.

Hon. Allister Grosart: Honourable senators, when I adjourned the discussion on the Telesat launch last night, I had drawn attention to the great achievement of the Canadian Telesat managers and scientists with Anik II. I pointed out that over the past weekend our Canadian scientists had managed to guide Anik II, after millions of miles of circling the earth at a rate of 125,000 miles a day, into its exact position in synchronous orbit 22,000 miles above the equator at 109 degrees west longitude. I said it was a remarkable achievement for which Telesat and Canada have not in my view been given the recognition which this tremendous accomplishment warrants.

● (1510)

I indicated four reasons why it should be brought to the attention of honourable senators and others. I said that this was, of course, a world "first" in many ways. I say this because other nations are greatly interested, and some have tried to set up a satellite domestic communications system—that is a satellite linked to earth stations—to cover a large mass area such as Canada. I said that Intelsat, a much larger American corporation, is 18 months behind schedule, and I pointed out the difficulties being encountered by Skylab, a $2.5 billion scientific project which we all hope will be carried out to the satisfaction of the project managers. The word today is that they are now much more hopeful than they were earlier that Skylab will be able to accomplish most of its very important mission.

I said further that Anik I and Anik II had been spectacularly successful, commercially as well as scientifically, and that one of the outstanding features of this project was the fact that it achieved an immediate payoff in human and social terms, and I also mentioned the fact that there did not seem to be a very great awareness on the part of Canadians of its magnitude and its merits. My purpose today, honourable senators, is to fill in a few further details under those four headings.

In the first place, when all the figures are in, the total Canadian content of Anik I and Anik II—the launching, the satellite, the earth stations when they are all completed, plus the very extensive Canadian human resources that have gone into this project and which have been responsible for its success—will be well over 50 per cent. In the early stages with Hughes Aircraft having the prime contract for the satellite, and NASA having the responsibility for the launch, the Canadian content appeared to be low on the material side, being 22 per cent at the start, but even that is growing as the project develops.

On the earth station side the Canadian content is over 60 per cent. Canadian firms involved in the launch and the satellite itself included Northern Electric and Spar Aerospace. Where the earth stations were concerned we had Raytheon Canada Limited, Philco-Ford Canada Limited

and RCA. The measure of its success is the fact that our 200 experts who developed this operation as it got under way are now being consulted by other countries such as the United States, the Philippines, Australia, Brazil, and our Anik headquarters has had visits from representatives of Japan, France, the United Kingdom and India.

The commercial success, of course, is due to the fact that it has attracted customers, and all its channels have now been spoken for and are, in fact, in use. On the Canadian side, eight of the 12 channels are now retained. CN/CP Telecommunications and the Trans-Canada Telephone System have two channels, Bell Canada has two channels, the CBC has three channels, and the Canadian Overseas Telecommunications Corporation has one channel. It is also very gratifying to the project managers of Telesat that four channels have now been taken up on a temporary basis by two large American corporations, RCA Global/Alascom and American Satellite Corporation. I mentioned last night that these two groups got tired of waiting for Intelsat which was to provide them with facilities, and have now taken channels on Telesat.

Telesat is not a crown corporation; it is a public corporation. At the present time the shareholders are the Canadian communications corporations I have named and the Government of Canada, with one share being held by the President, Mr. David Golden, to insure that the balance is held in the public sector. It was originally intended to issue shares to the public, but this has not been done, perhaps for the happy reason that the project appears to be so successful that is might not be neccessary to issue shares to the public. Whether that is desirable or not is another matter.

The original financing was $30 million from the Government of Canada and $30 million from the corporation. A further $40 million has been made available from various sources of public funds of which only $10 million have been drawn. So the total cost to the present time is $70 million, and the prospect of this government initiated public company winding up in the black in the not too distant future is rather good.

I spoke of the pay-off in human and social values. It is the current fashion for us to worry about technology and its deleterious spin-offs, the problems of pollution and other disruptions of the environment. Telesat is the other side of the story. It is an achievement in high technology and if it has any negative spin-offs, I have not heard of them. Certainly it will not adversely affect the earth environment, the atmosphere or the biosphere, and I doubt if it will do very much damage 22,000 miles above the equator.

On the other hand, the benefits are very great. The main purpose of Telesat, of course, is to link up these 37 earth stations now operating and some 15 more to come. The stations are scattered all across Canada. The greatest benefits of Telesat will come, of course, to what we might describe as those communities in Canada which in terms of access to the main communications lines of the world might be said to have been underprivileged up to now—that is, if non-access to television is a form of underprivilege, which I am not too sure of having regard to some of the television programs I have been watching recently. There is no question that people in these communities are entitled to television service and this they will now be able to get through Telesat.

I have in my hand a map showing the location of the 37 stations that cover Canada from Cowichan on Vancouver Island to St. John's, Newfoundland and to the high Arctic with communities such as Resolute Bay, Arctic Bay, Pond Inlet, Inuvik, Igloolik and Pangnirtung in the Arctic islands. Perhaps I should read them off to you because the stations are in many provinces as well as in the Territories and the Yukon. They are divided into what is called first of all the heavy route where you have the two main stations, one at Lake Cowichan and the other at Allan Park in southern Ontario. Then there is the second group, the network quality TV stations, whose purpose it is to improve the quality of network broadcasting. They are located at Edmonton, Regina, Winnipeg, Montreal, St. John's and Halifax.

● (1520)

There are then the two major northern telecommunications stations. Like the network television stations, they are designed to handle all forms of telecommunications. They are equipped to establish a medium-density trunk telephone link between Resolute, Frobisher Bay and the main telephone networks in the South. At Frobisher Bay the NTC station will also be equipped to receive CBC network television programming for local redistribution.

Then there are 25 remote TV earth stations. These are the ones mostly in the North and in the scattered communities. The initial function of these is to receive television programming for rebroadcasting by CBC remote television stations in communities not served at present by earth microwave facilities. Twenty-five of these are planned in the initial system, and will be equipped for the reception of television only. They can be upgraded for other forms of telecommunications in the future as required.

Then there is what is known as the thin route stations. There are 15 of these, of which two are in operation now, the others to come. They will provide telephone message service to small Arctic communities and will be capable of handling a small number of two-way telephone message circuits. The first two stations are located at Pangnirtung, on Baffin Island, and at Igloolik, on the Melville Peninsula. The others are located at Clinton Creek, Dawson, Elsa, Whitehorse, Faro, Watson Lake, Cassiar, Fort Nelson, Norman Wells, Fort Good Hope, Inuvik, Yellowknife, Pine Point, Fort Smith, Uranium City, Rankin Inlet, Sept Iles, Churchill, Great Whale, Fort Chimo, Fort George, Goose Bay, Port-au-Port, Iles de la Madeleine and Frobisher Bay. Those are the remote television stations.

The thin route stations scheduled for service in 1974/75 are Rankin Inlet, Fort Chimo, Arctic Bay, Pond Inlet, Cape Dorset, Chesterfield, Baker Lake, Sugluk, Povungnituk, Port Harrison, Winisk, Big Trout Lake, Eskimo Point, Coral Harbour and Belcher Island. I mention those, honourable senators, to indicate the tremendous scope of this undertaking and the benefits it will bring to many Canadians who up to now have been denied the benefits of this kind of communication that the rest of us enjoy.

One would wonder why an achievement of this magnitude seems to have developed so little awareness generally in Canada. One wonders at the reasons; I have tried to

speculate. I think perhaps the first is that the Telesat people went about this undertaking rather quietly. It might be fair to say they had some concern as to whether a Canadian team in this big league of international space could pull it off, although when I met many of them at the launching at Cape Kennedy I would have to say they showed no lack of confidence. I was amazed at the team spirit and proud to see these young men—they were mostly young men; young engineers and young scientists—elated at the apparent success of their efforts and determined, there in the spotlight of the scientists of the world, to pull this off successfully, as they did. However, there was not a great deal of advance publicity and I think perhaps the Telesat management was playing it safe.

The second reason, of course, is that it has been a success. The record is two almost perfect launches when others have been running into trouble and, as we all know from reading the news in the last few days about Skylab, for example, the only time that this kind of operation becomes news is when it runs into trouble. Good news, as they say, is not news.

I think perhaps a third reason is that in the major centres where most news is originated, the large cities in the southern part of our country, we take communications for granted. It never occurs to us today, perhaps, that there is still a tremendous effort to be made to bring telephone service and TV to hundreds of thousands of Canadians who have not had those luxuries of our affluent world at their disposal up to now.

Finally, honourable senators, I should pay tribute to this team that I have mentioned. It is rather invidious to pick out any individuals, because it is a team. Its president is one known to many honourable senators over the years, a very distinguished public servant, David Golden, who has been with the operation from the start. He transferred from the public service to take on this responsibility and has done a remarkable job. R. F. Chinnick is Vice-President, Engineering and Operations; R. Turta, Vice-President, Finance, and Treasurer; and H. A. Smith, Secretary and General Counsel. However, I am sure they would wish me to say that the greater credit goes to the staff, who have worked not 8-hour days, because you don't in high technology count the hours; you count the achievement. To this magnificent Canadian team who have achieved this outstanding success I think Canadians should be taking off their hats and saying: Well done.

Hon. Mr. Burchill: Madam Speaker, we are very much indebted to Senator Grosart for the very interesting remarks he has just made with regard to Telesat. I concur absolutely with his remarks regarding the applause that we should give this Canadian team for what they have accomplished. I rise simply to ask him a question. He indicated that Bell Canada has a channel. What about the Trans-Canada Telephone System, embracing all the telephone companies in Canada?

Hon. Mr. Grosart: Senator Burchill, I was perhaps speaking rather fast. The distribution of the eight channels to Canadians is as follows: CN/CP Telecommunications and the Trans-Canada Telephone System have two channels; Bell Canada has two; the CBC three, and the Canadian Overseas Telecommunications Corporation one.

Hon. Mr. Burchill: Thank you.

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

VIETNAM

VISIT OF CANADIAN PARLIAMENTARY MISSION—DEBATE CONTINUED

The Senate resumed from Thursday, May 17, the adjourned debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to the recent Canadian Parliamentary Mission to Vietnam.

[*Translation*]

Hon. Renaude Lapointe: Honourable senators, may I say first of all that I share with many million Canadians the opinion expressed last Thursday by Senator Carter concerning the conditions in which the International Commission of Control and Supervision, of which Canada is a member, is operating in Vietnam which, far from improving, have been deteriorating and might make our mission over there rather futile and certainly dangerous unless new arrangements are made in the near future between the parties to the Paris Agreement.

Canada accepted this thankless and difficult task without enthusiasm. However, all citizens sincerely concerned with an early cessation of a revolting war considered at the time that the decision was justified and that we had to assume that moral responsibility.

Mere perusal of Canadian newspapers for the end of January and early February is enough to show in a striking manner the support the government's decision received from editorialists and political commentators.

[*English*]

I quote the London *Free Press:* "If there's a chance of doing any good, we should go." The Ottawa *Journal:* "Canada has done what it had to do." *The Gazette:* "Sharp deserves support." The Montreal *Star:*

● (1530)

> It is impossible to see how Sharp could have rejected outright the proposal that Canada should be one of the four nations to observe and report on the ceasefire.

I quote also from the Edmonton *Journal:*

> Canada would be remiss if it would not try to help turn ceasefire into a lasting peace.

And then the Toronto *Daily Star:*

> If we want to replace a Pax Americana with something more multilateral, we have to take on some unpleasant assignment ourselves, but only of course when we are sure that we are acting on behalf of the international community.

And so it goes on.

[*Translation*]

In the Montreal *La Presse*, one reads:

> To its credit, Canada keeps its image of conciliator and pacifier.

And in the Quebec *Le Soleil*:

> Though it undertakes this new experience without obvious illusions, Canada has the duty to lend a hand to an organization committed to setting up the bases

for peace in a country deprived of it for a quarter of a century.

The good will shown by our country in its attempts to make the commission work is proof enough of its wish to help the cause of peace. Canada is indeed the only one of the four countries on duty to have adopted what anglophones have called "The open mouth approach"; the only one to have taken its mandate seriously and endeavoured to give a meaning to the words "control" and "supervision." At its side, the representatives of Indonesia have remained passive, which has not prevented a member of that group from saying, "The ICCS is ridiculous; let us go home". As for those of Hungary and Poland, they concern themselves with the interests of the provisional revolutionary government, that is the nucleus of the communist regime the North Vietnamese are trying to implant in South Vietnam, as a Hungarian colonel admitted. Many are those who accuse the representatives of those two countries, Hungary and Poland, of clearly having sabotaged the work of the supervisory mission.

But the parties to the Paris Agreement are even guiltier because that agreement has been openly and deliberately violated. Reliable sources estimate that since the cease-fire, more than 10,000 incidents requiring investigation have taken place. Of this impressive number, some 200 cases—mostly minor—could be considered and only 20 or so have been the subject of a report, unanimous or divided, addressed to the four parties to the agreement. The observer teams could not even get anywhere near the places where more serious fighting was taking place, the Communists seeming determined to intimidate Canadians and thwart their role as investigators in strategic places. It is also obvious that they do not take kindly to the energetic attitude of our mission chief, Mr. Michel Gauvin, against whom they have directed most of their verbal attacks on Radio Hanoï.

Besides shooting down a helicopter, thus causing the death of eight persons, including Captain Laviolette, under the pretext that the craft had strayed from the air corridor, the Communists keep on harrassing the inspection teams by sustained gunfire even though the ICCS vehicles bear a white flag and, in the case of Canadian vehicles, the Maple Leaf flag as well. Thus, they intend to force the teams to remain in the seven areas of South Vietnam, after having kept them away from the borders and the various points along the shore, which would make them almost entirely useless.

The intransigence of the provisional revolutionary government as to the width of the air corridor above communist territories is also a serious bone of contention. Canada and Indonesia would like the width of those corridors which were only 2½ miles to be extended to at least five miles. The PRG wants to restrict it to four. Two weeks ago, fighting against the serious restrictions on its freedom of movement, the commission at first had decided not to supervise the release of 250 South Vietnamese prisoners who were to be set free by the Viet Cong, since most of the eight locations where the releases were to take place could only be reached by helicopter. We do not know whether the commission has reconsidered its decision. The supervision of the prisoners' release had been indeed one of the few tasks which the ICCS was in position to carry out efficiently since its establishment.

According to most observers, the belligerent parties are not ready to accept peace and do not want it, which makes the commission helpless since it has no coercive power. At best it plays, as it is stated, a supernumerary role and Canada especially could be accused of blindly taking part in the carrying out of an electoral promise of Mr. Nixon, that is the repatriation of American prisoners at any cost. In short, the appearance of a truce is given to what is only an interlude which could enable both North and South Vietnamese to regroup their forces to carry on a war which no one is apparently anxious to give up.

As for the South Vietnamese, since the January 28 cease-fire, they have captured more than 200 Viet Congand North Vietnamese and they claim that 1,000 soldiers as well as tanks entered the South Vietnamese area under communist control. We must add, however, that, under the Paris Agreement, whose complexity and ambiguity make it almost unworkable, the North Vietnamese did not have to withdraw their 145,000 soldiers from South Vietnam but were expected to reduce them gradually. However, the agreement forbids them to infiltrate reinforcements in that area.

However, according to the report being prepared by Canada and Indonesia, North Vietnamese troops found their way into South Vietnam since the cease-fire. That report is based on a series of interviews with prisoners, three of whom have admitted they were regular soldiers from the North Vietnamese army. The inquiry and the interviews were made at the request of the Saigon government.

It is obvious that the Hungarians and the Poles totally disagree with that inquiry in which they will not participate. They claim that it goes beyond the terms of reference of the commission, the duty of which must be limited to investigating cease-fire violations between Saigon and Viet Cong forces. Moreover, they say that the provisional revolutionary government cannot be held responsible for what the North Vietnamese do. Besides, the Paris Agreement does not include any specific clause on the presence of North Vietnamese troops and, according to some sources, it will be difficult for the Canadians and the Indonesians to decide under what clause of the agreement they could submit their report.

[*English*]

As it was underlined by Charles Taylor in the *Globe and Mail* of April 17:

> In Vietnam itself, military activity is on a much greater scale and intensity than most Canadians have been led to believe. Diplomatic sources speak of division-size engagements in the northern provinces of South Vietnam and in Tay Ninh near the Cambodian border. In some areas of the Mekong Delta, fighting is even heavier than it was before the Paris Agreements.

Apart from that, Mr. Taylor says:

> —the United States, South Vietnam and North Vietnam [with their Cambodian moves] are all acting in open contempt of the Paris Agreements.

Those agreements called for an end to all military activities in Cambodia and Laos. And we all know that since the

cease-fire agreement in Vietnam, the cost of the U.S. air operations in Cambodia and Laos has exceeded $250 million.

As Mr. Max Cohen put it in the Toronto *Daily Star* of April 12:

> The government's rationale to stay ... after March 30 ... is that Canadian withdrawal, even though justified, is not desirable on grounds that it could threaten "psychologically" the fragile environment for peace, by weakening the "international presence" for which the ICCS stands.

● (1540)

And he poses the following questions:

> Is this a valid reason for Canada to stay? Was the peace, and the creation of the ICCS only a complex game to permit the United States to withdraw with "honour" and with its prisoners?

And he goes on to say:

> The longer Canada remains—with complaints that we can do very little when frustrated by our Polish and Hungarian colleagues or the host governments—the greater will be the decline in the credibility of the whole operation. Any further 60-day extension would amount to an indefinite commitment. Perhaps this is the best that can be achieved for the moment, but let there be no illusions as to the character of that achievement.

[*Translation*]

Many think that this is an extremely hard task and even the most difficult task ever undertaken by Canadians, more difficult indeed than war when borders are clearly defined and decisions easier to take. They must now supervise a peace that does not exist.

At the beginning, Canadians were generally neutrals but we understand how they can become emotionally anti-communist as a reaction to what they see and hear. To be sure, they were expecting obstruction against their task as observers but surely they never thought of finding a state of war which their Hungarian and Polish colleagues apparently try to camouflage. For instance, communist sappers destroyed a bridge; the Polish said that the bridge had been damaged by the crossing of South Vietnamese cannons. A South Vietnamese ship is sunk; the Polish declared she had hit one of their own mines. As by chance, the communist members of an inspection team left the Cambodian border just before a major North Vietnamese assault is launched.

On the other hand, it is reported that the American bombings of Cambodia have been damaging border areas and made casualties in Vietnam itself.

[*English*]

As is the case with Mr. Cohen, I also deplore the fact that very little was made of the chance to give the Secretary-General of the United Nations and the Security Council a central role in the ICCS operation, as Mr. Sharp proposed in Paris. There is really no effective political body to which the commission can report and, more importantly, the failure to include the United Nations is a further step in the growing habit of bypassing it on issues of major importance.

This settlement, as Mr. Cohen says, may be another sad portent for the United Nation's peacekeeping future.

[*Translation*]

What is much worse, the control commission, which had up to then received initial payments of about $1 million from each of the parties, as laid down by the Paris Agreement, had run out of money and seemed likely to lose some of its essential services, such as air transportation, which it obtains from private businesses which were becoming impatient. However, the requests that were sent more than three weeks ago to the United States, North Vietnam, the Saigon government and the provisional revolutionary government for them to renew their initial contribution have fortunately just been answered by the United States government, which has paid out another million dollars, and the South Vietnamese government should soon follow suit.

Under the agreement, each of the signatory parties has to pay 23 per cent of the running costs of the ICCS, with the four member countries of the control commission each providing 2 per cent, plus personnel salaries and allowances. At present, therefore, Canada has had during this time to feed the 292 members of its delegation at its own expense, until there were additional funds. But it appears that it will be reimbursed.

This is no secret that Washington did slightly force Canada's hand by fiddling quite a bit with the truth in order to obtain its final agreement; first, by having it believe, at the beginning, that the Americans had obtained the official consent of the three other countries, which was not true; second, by assuring Canada that determined efforts had been made to find countries willing to serve in Vietnam, whereas in fact only one other country had been considered, Japan. With the prospect of such cavalier treatment, we may suppose that it would be difficult for Canada to announce simply its intention of withdrawing from the commission on 30 days' notice, for the United States could claim at the last moment that there was no one willing to take its place, and could again twist Canada's arm so that it would stay on.

Here at home, those who are directly affected by the success of our business negotiations with the United States are concerned about the possible unfavorable repercussions a Canadian decision to withdraw from the control commission might have on these negotiations. Others suggest that Canada is not willing to strike another blow at an administration that is already saddled with serious internal difficulties. However, it has been reported that Washington, although deeply resenting our departure, should we leave, would not contemplate any representation in order to persuade us not to leave Vietnam.

Even though many other countries, whether European or Asian, also have with Washington relationships that they might want to improve, will any of them agree with pleasure to replace Canadians within a commission that is deprived of power and glamour besides being quite expensive? Yet it should be hoped that those other countries would also do their share.

While admitting that the situation did not improve as much as Canada said it had to if we were to stay there, the Secretary of State for External Affairs added in recent

days that our country had been urged to show patience. By whom? Well, undoubtedly Washington! Furthermore, he carefully pointed out, first, that the peace agreement is still in effect; second, that the United States and North Vietnam had both expressed their determination to ensure that the agreement would be respected; third, that it is not up to Canada to determine whether or not the agreement has been violated, the signatories to the agreement being the only ones in a position to decide that; fourth, that the role of member countries of the commission is only to report on violations and not to maintain peace as in Cyprus.

That all boils down to saying that the commission could report 15,000 violations or even more but that if it is convenient for the signatories to say that the agreement is still in effect in spite of those numerous incidents of which each and everyone is guilty, the control commission would only have to get a bigger book to register those infractions without saying anything even if some of the signatories are firing at them precisely to keep them from seeing what their terms of reference command them to see, as has happened on several occasions.

According to the head of the Hungarian delegation with the ICCS, Canada should give at least three months' notice should we decide to withdraw. Furthermore, according to him, 30 days' notice would be contrary to the spirit of the Paris Agreement because there would not be enough time to find a replacement. He further stated that no government could suggest at this time that there is no valid and possible solution, and he added that it may be at least a year before the commission can draw any conclusions.

Can Canada adopt this point of view and accept other concessions for another few months? Or will it insist on its original conditions which, because they were not met, amply justify its leaving the place? A great many Canadians wish that the government would stand firm.

But, if the talks between Kissinger and LeDuc Tho, which went on very intensively in Paris, should lead to new arrangements, and considering that violations against the agreement have suddenly and considerably decreased these past few days, there might be a way to consider extending the stay of the Canadian members of the ICCS who would still have much work to do there, were it only to visit military and civilian prisoner camps which until now have escaped any serious examination because this would reveal unjust and inhuman imprisonment conditions.

In fact, even though President Thieu stated during his visit to the United States that there were no political prisoners in South Vietnam and that anyone could see for himself, five observers—three Canadians and two Americans—who were members of the international committee for the release of political prisoners in South Vietnam were refused on the spot permission to do so. They came back and strongly denounced the continuation of Operation Phoenix, a plan conceived at the beginning by the CIA in order to neutralize Viet Cong sympathizers by putting them all in jail, under the pretence that they disturb public order.

We saw that Mr. Kissinger and Mr. LeDuc Tho recognized that the peace agreement had been broken. President Nixon also referred to the faulty application of the Paris Agreement and chances are they would not have been discussing so actively for almost a week had they not a strong intention of improving the situation.

At any rate, the view of General Stanley Waters, the Deputy Chief of Canadian Defence Operations who is spending a few days in Vietnam, combined with the view of the head of the Canadian delegation, Mr. Michel Gauvin, will undoubtedly have a very strong impact on the government's decision as regard the maintenance of the withdrawal of our forces. It is quite logical that it be so. We can only hope that the usual wisdom of the Canadian government, which is only matched with by its sense of responsibility from the international point of view, will lead to the final decision in this regard.

On motion of Senator Molgat, debate adjourned.

• (1550)

[*English*]

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FIFTEENTH MEETING—DEBATE CONTINUED

The Senate resumed from Wednesday, May 16, the adjourned debate on the inquiry of Senator Aird, calling the attention of the Senate to the Fifteenth Meeting of the Canada-United States Interparliamentary Group, held at Washington, D.C., and White Sulphur Springs, West Virginia, from 4th to 8th April, 1973.

Hon. Arthur Laing: Honourable senators, I deeply appreciated being selected as one of the members of the Senate to attend the Fifteenth Meeting of the Canada-United States Interparliamentary Group in Washington. I must say that when we were there we were entertained lavishly and well taken care of. We were extended all the courtesies of the American people and the American nation.

I am rather of the opinion that the fifteenth meeting of this group will not go down in history as the most important or the most momentous. I got the impression that the climate in Washington at that time, because of inflation, the balance of payments situation and domestic affairs, hung so heavily upon the members of the Senate and the House of Representatives that they were preoccupied more with those affairs than with the relations that existed between their nation and Canada. There have been some speeches on this matter already, and I feel that I am going to suffer by comparison from the kind of competition that has been spoken of and threatened from other nations before I am finished.

I addressed my activities there to the sub-committee on energy and resources. I found, not to my astonishment, that the chief question asked by the Americans was, "How much energy have you got and how soon can you deliver it to us?" Their concern at the present time is over energy resources. There are predictions that by 1975 oil may be worth $7 a barrel, and by 1980 possibly $10 a barrel. Preparations are being made by them, and discussions are going on, for the securing of as firm supply as possible over the next number of years at prices that a few years ago would have looked utterly ridiculous.

We had to point out to them that so far as our capacity to deliver them energy at this time was concerned, with a million barrels of oil and a billion cubic feet of gas going across the border daily, we had the faucets turned on fully. We indicated to them we were confident that we had very great reserves of these two resources in the country, but that they were in remote areas, that we had to see to it that we preserved for Canada the foreseeable requirements into the future for ever, and that we were going to keep the required quantities of those resources here in Canada before there would be any consideration given to exporting them.

There are concerns in Canada. I, as a Westerner, am particularly concerned about some people in central Canada who are telling westerners, "Leave it in the ground." Honourable senators, it is not going to stay in the ground, and we are not going to leave it in the ground. I remember that in 1950 the late C. D. Howe announced that we had the very good fortune of having found two trillion cubic feet of gas in Canada, and his hopes were that in the future that would expand. At the present time, after many years of having sold gas at the rate of about two trillion cubic feet a year, we have established the presence of 57 trillion cubic feet in the ground, and fixed. After consulting the best geologists in the world, we think we have in Canada—in Alberta, the Arctic areas and on the Atlantic coast—some 720 trillion cubic feet of gas. These are important considerations to them. They are important to us, too.

There is another aspect. I do not think the attitude of "leave it in the ground interminably" is a good attitude at all. I cannot believe that with the remarkable human capacity and ingenuity of today this world will be scarce of anything in the future, including energy sources.

In 1965, when I was in the Soviet Union, I met their top scientists, who assured me that by 2000 A.D. we would have fusion power. They referred me to their counterparts in London, with whom they were working on a weekly basis, going back and forth. I spoke to them, and they also said this would happen by the year 2000. Later on I found the American component—because it is a three-way arrangement at the present time—and he was prepared to bet we would have it in 15 years. The other day I read that another scientist had said that by 2025 we will have this source of power in operation.

This is supposed to be free power. This is the kind of thing that Winston Churchill, with that magnificent prescience of his, forecast in 1922—the development of forces of destruction, which he termed as wholesale and unlimited, and probably, once unleashed, uncontrollable. He wrote that in 1922 in *Aftermath.*

As far as I can understand, this is the peaceful adaptation, or an attempt by the scientists at peaceful adaptation, of the hydrogen bomb. It is subject to enormous heat, and latterly they have brought into unison the best scientists in Germany to provide what they term a plasma, which is supposed to have a value in controlling the heat. This sort of thing is on the way.

● (1600)

The American shortage of energy at the present time will not be long lived. They have 24 atomic energy plants operating in the United States today. They are building 45 more, and there are plans for 75 more being made at present. I think their concern was brought about by the unison and determination of the OPEC countries to get more money out of a commodity of which they had almost a monopoly. We know that 72 per cent of the oil of the world today is coming out of the Arab countries at a well-head cost that is fantastically low. I find that the average well-head cost of oil in the Arab countries is 14 cents a barrel. Their taxes are $1.89 on that barrel and they want more, and they will be wanting more, too, because they are in a position to command more. We must take these things into consideration within our own country.

When I visited Prudhoe Bay I met people there who told me, "We are much more fortunate than you are in Alberta, because your average cost of exploration is $1.29 a barrel." Senator Manning knows more about these things than I do, but I think that was about the figure—$1.29 or $1.30. One man said, This oil here has been found at an exploration cost of one cent a barrel." I said to him, because I had an idea of what was going to happen, "You will need the other $1.28 to get your oil down to the market where the Alberta oil is." And probably it is going to work out that way.

These considerations should be taken into account in our own country, because I find some rather strange expenditures of federal funds being made at the present time which are beyond my comprehension. We have a study to see whether it would be advantageous to carry oil on trains. Oil on trains! We have spent $270,000 already, and the suggestion now is that we should spend $600,000 more to study a proposal to deliver oil to a point where it will be put in a pipeline.

We have a pipeline through the province of British Columbia which runs from Edmonton to Sumas on the boundary with the United States, from where 72 per cent of the oil is delivered to American points. Last year that 32-inch pipeline transported 24 million tons of oil 632 miles at an operating cost of 79 cents a ton. If you have a liquid, you put it in a pipeline. As a matter of fact, both of our railways today, the CNR and CPR, are joined with other corporations in determining whether they can put solids in a pipeline—coal, sulphur and eventually, they think, wheat. They are rather hopeful of shipping wheat in pipes. These are the kinds of efforts and economies we should attempt to make in our own situation, because we may be going into a far more competitive position in the future than we are in at the present time.

We bring into Canada each year about $1 billion worth of machinery related to the resource industry—gigantic trucks and huge shovels, enormous machines, some of them costing $260,000 each, and operated by one man. As a matter of fact, in the open coal mining in British Columbia, we had one machine that cost $2.5 million and was operated by two men. This is the kind of extraction into which we are getting. I find that this machinery that is coming in from outside is assembled machinery. It is not manufactured by the firm which puts it on the market. The engines may be from Italy or Glasgow, but the machines are put together in an American factory.

We have a machine in a potash mine in Saskatchewan today which was designed totally by a couple of Canadians working for that company. They took pictures down to the United States and got this machine, which weighs 240

tons, built, and they put it together down the shaft. It has an extensible belt, which goes out 600 metres in any direction, and it is operated by three men. Nine men in 24 hours pulled out 11,300 tons of potash with this one machine.

We have companies in Canada today making diesel engines. There is in Winnipeg a remarkably competent machinery company, and there are other machinery companies here. They cannot all compete for this business, but collectively they could do it. Why we are not attempting to get them to work together, I cannot tell you. If we are concerned about our business relationships with the United States, there are a great number of economies and improvements that we can make in Canada.

I was in business at one time and I knew a little bit about grain. I have been making some remarks about that. One of the great assets of Canada is its black lands and, indeed, the grey soils of the Prairies. Not all those areas can produce cattle. As a matter of fact, very little of it can produce cattle. But because of the nature of the soil, because of the climate, because those soils are full of minerals, there is no country in the world that can produce the quality of flouring grains that our western Prairies produce.

In recent years we have been uncertain about grain. I was of the thought that we made a mistake in joining the world wheat organization. I thought we should have gone out and said we had the best wheat and we were going to command the world market. In joining that organization we put an umbrella over other countries whose business should not have been growing wheat at all but who went into it because we put protection over them.

A few years ago we were paying people to keep this land in grass. We should accept the principle that that land is the best grain producing land in the world. It produces a standard of flour for bread, which is going to remain the staff of life to a great proportion of the world's population for a long time. We should say we are going to stay in this business; we are going to be competitive; we are going to organize it properly.

The minister responsible for the wheat board made an appeal ten days ago to the farmers on the Prairies to get the rest of their grain into the granaries, because it was required at once. I think he was putting the cart before the horse. We should get our grain to a point where it can be put in storage and can be delivered to ships the year round—every day in the year. We should get it to the delivery point, to salt water, as soon as possible, and stay in the business.

Only three weeks ago a 42,000 ton ship was lying out in English Bay in Vancouver for ten days, waiting for a berth. We have now made an additional sale to the Soviet Union. I am going to tell you that the Soviet Union would have bought a lot more grain from us, and particularly feed grain, but we had none for sale. Mr. Kosygin last October, when I met him in Moscow, made that point three times. He said, "You know, we wanted to buy this from you before we bought it from the United States, but you did not have it." This year they are buying 25 million tons of grain from the United States.

• (1610)

They are today the biggest producers of milk, the biggest producers of eggs and the biggest producers of poultry in the world. They are bigger than the United States. But, comparatively, they have no meat. I did not know, until I returned to Canada, the number of breeding stock that they have taken from Canada for meat production, but it is a program that they cannot abandon. And, as I have said, they are buying this prodigious quantity of grain from the United States. While the United States has greater numbers of acres than we for the growing of grain, while their climate is more uniform than ours across the years, we have a quality in our western grain that they cannot equal, and we should adopt a position of being competitive at all times.

The United States is beginning to be concerned about other things than energy. Professor Payley's 1952 report to President Truman, on the state of resources, has been updated by a series of reports which show that the finite resources in the United States are approaching a condition which will compel them to look abroad for a larger number of items. They may be forced in the future into a position of competing with, and on a similar basis to, Japan which has perhaps more of the qualities of a factory than of a nation. Everything is brought into Japan because it has no resources at all, and yet it is one of the significant manufacturing forces in the world today. Well, that is not the situation in the United States yet, but it is approaching that position.

We talk easily to Americans. We speak more frankly, more openly, and in a more friendly manner to them than we do to the people of any other nation in the world, including the two races from which Canada is drawn. We have very little difficulty in talking to them. We have an opportunity now of assessing our position, without worrying too much about our future.

Involved in Canada-United States relations are matters dealt with by the senators who spoke about Brussels. In particular, Senator van Roggen was of the opinion that a sort of sword of Damocles was hanging over us and that something was about to happen to us. I do not believe that they will find it possible in Europe to operate with the precision of ordinance that he indicated. Other factors will be involved there.

I have noticed lately a very recent, immense increase in investments being made in Spain, which is not even a member of the EEC. The great car companies of the United States are putting plants in there, to manufacture 150,000 to 200,000 cars each per year, of which they say 80 per cent will be exported from Spain. I cannot believe that they will be exported back to America. They will go into European countries. In such a situation you cannot suddenly order everything in a precise manner. I believe the opportunity is there for Canadians to sell, if businessmen will become attentive to the great opportunities that exist.

Why did Europe do this? Why did they revive the 40-year-old dream of Aristide Briand, of one Europe? The democratic nations today are thinking alike. They want to use all the advantages of collectivism and still assure the individual human being that he has complete individual, and private freedom. We want both these advantages.

The collectivism that Europe envisions thus far has increased, instead of denying, individual liberty. You find hundreds of thousands of people going from their own land to work in another land, taking the opportunities and rights that they enjoy at home, with the right thereafter to remain in the new country or to return to their own country if they wish. They never had freedom like this before.

They are out to increase the standard of living of their people. Out of a thousand years of history, culture and wisdom, they will improve the standard of their people, and when they do that they will want more things instead of less from us.

Again because I am a Westerner, I agree that continuing and intensive attention should be paid by us to the Atlantic area. I do not worry about our relations with the United States at all, but there are some Canadians who worry about them. They worry about the powers that the President of the United States is asking for. Indeed, some Canadians are saying that there is a return to that American eagle with a shaft of arrows in one claw and a pipe of peace in the other, and negotiations for free trade or to increase tariffs. I do not believe for one minute that serious things are going to be visited upon Canada by the United States. Our countries are too close together. They are more dependent upon us today then we are upon them. We are in a very strong position.

However, I am concerned about another matter. I think that the Soviet Union is going to supply Europe with raw materials, and that over a period of years we could lose that kind of trade with Europe. In that case, it will be some years before they can arrange their deliveries, so Canadian firms should endeavour to make solid contracts there in the years that remain to them.

The Soviet Union is the richest of all countries in resources. This great nation has 52 per cent of the softwood of the world. It has gas and oil comparable to the resources of the Middle East. It has lead, zinc, asbestos, copper, gold, diamonds and everything else. But it has them in a country in which it is far more difficult to develop such assets than is the case in northern Canada. They have a really tough climate. They have registered on the Siberian Plains, without virtue of wind, temperatures as low as 102 degrees below zero Fahrenheit.

There are five great rivers in the Soviet Union which run north. The Alden, which is only a mere tributary of the Lena, is over one mile wide. Both are tremendous rivers. They flow north at a rate of six, eight and ten knots at a time when everything has to be pulled south down to the Trans-Siberian Railway. I saw ocean tugs pulling barges at about two knots. Now, this is very costly. In Noril'sk in 1965 they were delivering nickel into Europe by airplane when it was 85 cents a pound. So their problem is the problem of Canada, but accentuated to a far greater degree.

At Bratsk everyone sat down at one desk and an arrangement was made, and a decision was formulated, to dam the river there because they wanted to build a power plant of 3.8 million kilowatts in one place. Well, what do you do with such power? So they sat down again, and now they have an aluminum complex, a steel complex and, when we were there, they were just finishing a paper complex. This is 3,100 miles from Moscow and 2,000 miles from Magadan on the Pacific. They were chewing up 37,000 cubic metres of wood per day in that plant—62 acres. Well, they will succeed. From my visit to that area, I cannot but admire their determination to make something out of a very difficult country; a very challenging but a very rich country. They will be paying special attention to the supply of raw materials required by Europe. While we still have time, we should endeavour to establish some contacts in respect of those things that Europe is going to purchase.

● (1620)

There is a fairly solid prediction now that when Mr. Brezhnev meets Mr. Nixon they will write a contract covering a period of 20 years, and involving a sum of $125 billion. The United States very much wants energy; the Soviet Union desperately needs machinery. This is going to be, to all intents and purposes, a barter deal. The terms and details will be left to firms like Occidental Oil and others which have already made special arrangements in the Soviet Union, but it will be still essentially a barter deal. I am told reliably that the United States is prepared to pay $1.45 per thousand for their frozen gas delivered to the United States, while they are paying us 31 cents per thousand for what we are delivering to them.

Honourable senators, everything we have today, every resource at our disposal, is needed by other people. I have not much patience with Canadians who are timid because "everybody wants our goods." Little gentlemen from Japan are appearing all over British Columbia, and now they are appearing in Halifax and other Maritime areas—and with money, too. The Germans and other Europeans are coming. The Americans are coming, and some Canadians are growing timid. The time for us to be timid is when they cease coming. Canada today is regarded as the best place in the world to invest money. So long as we can keep it that way, we can set the required conditions under which that money comes. When people cease coming, we should start to worry.

Our population is growing rapidly, and the number of jobs is increasing enormously. Our gross national product is over $100 billion a year. When I came to Ottawa first in 1949, it was $15 billion. Instead of being timid we should be realistic about these things. We should know more and more about the things we have. How many honourable senators know that in the little territory of the Yukon, with its population of only 18,000 people, the production of minerals alone this year is going to be worth $150 million, which works out at $8,000 for every man, woman and child in the territory? And we are just beginning. I saw no great comfort among Canadians when Amex out of New York announced that they had found $3 billion worth of tungsten in the Yukon. I can tell you now that in addition since then they have found 200 or 300 million tons of lead and zinc, some of comparable grade to that at Pine Point. And this is only the beginning.

Honourable senators, we must pay increasing attention to the Pacific, while still watching the Atlantic. In the Pacific area—with a population of 120 million in Indonesia, 700 million in China, and 450 million in India—the standard of living is rising more rapidly than ours, admittedly from a very low base, and every percentage

point puts a tremendous demand on the products that we have. We cannot cut lumber fast enough in British Columbia today. We cannot dig coal out of the mines fast enough today. We cannot mine lead, zinc or copper fast enough. We should not at this time worry about pulling out those resources we all know to be finite. So far we have found only the tiniest fraction of the resources that do exist in the country, and we have only just begun to search. One of the best things we could do—and this has already been done by the Soviet Union, and it is very much to their credit—is establish a very comprehensive and accurate inventory of all our resources. That would lead to better marketing conditions.

Honourable senators, I read yesterday the remarks of a writer, in a financial column, advocating that Canada should assist, by tax methods or by direct subsidy, exploration within Canada to establish our resources. I think Alberta is already doing that on a provincial basis.

Our relationships with the United States should continue to be flexible. Before we left on our visit we heard much about irritants, and when we got to the United States we heard about irritants. They are keeping those irritants alive, and so are we, because we want to have something in our back pocket when a big deal comes along. That is a little childish. There is no point in taking this attitude, nor is it the way to operate. As long as we can talk to them on the basis on which we talked to them when we were there, as long as we have the ability to walk across the border and talk to the Americans as we do, and as long as they can come here and talk to us, we will have very little difficulty. Our relationships are good. They will require more and more of the things we have, and Canada is at the present time in a seller's market so far as those things are concerned. We are going to remain in that position for quite a while.

Hon. Senators: Hear, hear.

Hon. Mr. Buckwold: Honourable senators, I know it is unusual to compliment a senator, but this is one of the most interesting and informative speeches I have heard in a long time. I want to say to Senator Laing, and I hope I will be supported by others, that it was a delight to listen to him speak, without notes, and to share his wealth of information and his unlimited statistics. While honourable senators may not agree with all his conclusions, I know I am speaking for all of us when I say to Senator Laing that it was a real pleasure to hear him today, particularly having regard to the spirit of optimism he always exudes.

On motion of Senator Molgat, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, May 24, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on operations under Part II of the Export Credits Insurance Act for the fiscal year ended March 31, 1973, pursuant to section 27 of the said act, chapter 105, R.S.C., 1952.

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1972, pursuant to section 61(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

CLERK'S ACCOUNTS

FIRST REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION PRESENTED

Hon. Donald Smith: Honourable senators, the Standing Committee on Internal Economy, Budgets and Administration makes its first report as follows:

Your committee recommends that pursuant to subsection (1) of section 43 of the Senate and House of Commons Act, credit cards may be issued to members of the Senate for the purpose of allowing them to place long distance telephone calls from any point within their respective province to any point within their respective province and for the purpose of allowing them to place long distance telephone calls from any point within their respective province or from their residence to their respective parliamentary office and to any federal government department or agency in Ottawa or to any regional office of any federal government department or agency within Canada.

The foregoing is in addition to the existing telephone services available to members of the Senate.

These regulations shall take effect on the adoption of this report by the Senate.

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

Hon. Mr. Smith moved that the report be taken into consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Gildas L. Molgat: 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, May 29, 1973, at 8 o'clock in the evening.

Hon. Mr. Choquette: Honourable senators, might I ask at this stage what is so urgent on the agenda for next week? Are there any more travelogues or any more dissertations or impressions to be presented to us by several senators? There was a time when people did not bother about the Senate being threatened with abolition and we said, "We and the public will understand that if we receive no legislation from the other place it is quite in order and appropriate for the Senate to adjourn subject to being recalled." I am throwing this out to you as food for thought.

Hon. Mr. Greene: A mighty lean diet.

Hon. Mr. Choquette: Again I ask: What is on the agenda for next week?

Hon. Mr. Molgat: I thank Senator Choquette for his comments. As a matter of fact, I was about to indicate, before the motion was put, what the order of business would likely be next week. It so happens that we have a number of important matters to deal with.

As honourable senators are aware, there are some inquiries before us and there will be discussion on them, particularly on that dealing with the report of the Standing Committee on Foreign Affairs on the visit to the European Community headquarters in Brussels, which is of major concern to Canada. There is also the inquiry of Senator Hicks in the matter of education, on which I know certain senators wish to speak, and the inquiry of Senator Croll on Senate reform, as well as the others that are before us.

In addition to that, the committees have a good deal of work before them. The Standing Committee on Legal and Constitutional Affairs intends to meet, as I understand it, on Tuesday and Wednesday of next week. It will continue its examination of the parole system. In addition, on Wednesday it will consider some private bills that have been referred to it.

The Standing Senate Committee on Banking, Trade and Commerce will meet on Wednesday to continue its study of Foreign Direct Investment in Canada, and it has before it Bill S-4, an act to amend the National Parks Act, and an examination of the Export Development Corporation. So there is ample work before that committee.

On Thursday the Standing Committee on Agriculture will consider Bill S-5, to amend the Farm Improvement Loans Act.

So we have work to do, both within the Senate and in the committees. There is a possibility that we will not meet in the Senate on Wednesday so that the committees will be able to work all day Wednesday, which they rather require if they are to deal with the matters before them.

That is the expected order of business for next week, honourable senators, and I think you will find that there

will be ample work to be done. I should add also that the Standing Committee on Transport and Communications may meet. There is an inquiry before us; if it is passed, the committee would have reason to deal with it.

Motion agreed to.

CAPITAL PUNISHMENT

MURDERS OF POLICE OFFICERS—SUPPLEMENTARY QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, on Tuesday last Senator Choquette asked me for information as to how many persons have been found guilty of murdering prison guards and police officers, and how many have been executed, since the passage of an act to amend the Criminal Code, Statutes of Canada 1967-68, Chapter 15.

The office of the Solicitor General has now advised me that six persons have been found guilty of such a murder and none has been executed. Four sentences were commuted, as follows:

DATE OF CONVICTION	DATE SENTENCE COMMUTED
11 April 1968	3 July 1969
20 January 1970	4 February 1971
12 March 1970	23 December 1970
15 October 1970	24 February 1972

The two other cases, in which the trial courts registered convictions and passed sentences of death, are still before the courts. One of these cases is before the Quebec Court of Appeal and the other will be before the Supreme Court of Canada, if an extension of time is granted.

PRIVATE BILL

NATIONAL DENTAL EXAMINING BOARD OF CANADA—SECOND READING—DEBATE ADJOURNED

Hon. Orville H. Phillips moved the second reading of Bill S-7, respecting the National Dental Examining Board of Canada.

He said: Honourable senators, in 1952 Parliament passed an act establishing the National Dental Examining Board of Canada and authorizing the board to set the qualifications standards for general practitioners in dentistry. Since that time the number of dental hygienists has greatly increased and formal training is offered in various high schools and community colleges for dental assistants.

Bill S-7 will repeal section 6 of the act of 1952 and will enlarge the authority of the National Dental Examining Board of Canada to set the qualifications for dental hygienists and dental assistants.

● (1410)

The Royal College of Dentistry of Canada was established in 1964, and up to now the College has been setting its own examinations and its own qualifications. Bill S-7 will authorize the National Dental Examining Board to establish qualifications for specialists in the various dental fields. There is a transitional period of five years allowed for those who have started qualifying under the present system, and anyone who has started qualifying in a specialty may have five years to complete the qualifications under the 1964 act.

[Hon. Mr. Molgat.]

Section 7 of the 1952 statute is repealed and the National Dental Examining Board is authorized to set the qualifications so that in each case the qualifications may be recognized by the appropriate licensing bodies in all the provinces of Canada. Perhaps at this stage I should point out that while the examining board sets the qualifications, the provincial dental association is the authority that issues licences, and will continue to do so under the new act.

It is my understanding, honourable senators, that when this bill is referred to the Standing Senate Committee on Legal and Constitutional Affairs, representatives of the National Dental Examining Board and the Royal College of Dentistry will appear in support of the bill and to answer any questions that honourable senators may wish to direct to them.

Hon. Mr. Lafond: May I ask Honourable Senator Phillips a question?

Hon. Mr. Phillips: Certainly.

Hon. Mr. Lafond: Has the honourable senator any information as to why the heading or description of the bill in French on the frontispiece, as well as on page 1, is not in conformity with lines 13 and 14 of paragraph 1?

Hon. Mr. Phillips: Senator Lafond, I would have difficulty perhaps explaining the English version, and if I were to try to explain the French translation, I think I should be completely lost.

Hon. Donald Smith: Honourable senators, as the formal seconder of the motion to give second reading to this bill, I think I should add a few words to what Senator Phillips has said. The explanation so far as the objectives are concerned has been stated very clearly by my former colleague, Senator Phillips. I say "former" advisedly because it is now a number of years since I was actively engaged in the practice of dentistry, although I did slave at my trade, as some people might regard it, for a period of 30 years before other events caught up with me and I found myself too much engaged in public affairs to continue the practice of dentistry.

When I graduated back in 1928, the parallel organization to the one now proposed in this bill was known as the Dominion Dental Council, and when we got through the final group of examinations set by that body, we were entitled to practise in almost all provinces of Canada. I believe there were one or two provinces which for special reasons did not recognize that. However, in my opinion the time has long gone when we should have a national examining board. This is a day and age when members of the medical profession find very little, if any, difficulty in moving from province to province when they have the required qualifications. Therefore, the same privilege should be extended to the dental profession. The objectives were stated by Senator Phillips, who is still an active dental practitioner, which puts him in an advantageous position in so far as I am concerned. The purposes of the bill were well explained by him, and I do not think I could dwell on them to any advantage.

I noticed that copies of the bill came into our possession only as Senator Phillips was rising to speak. Yesterday, when a sample of the bill was given to the Leader of the Government (Hon. Mr. Martin), one of his legal colleagues pointed out several apparent deficiencies in it from a legal

point of view. I know that there is doubt in the minds of some legal members of this chamber that this bill is in proper form. I therefore think that an opportunity should be given those senators to consider these points in advance of the meeting of the Standing Committee on Health, Welfare and Science, which would be the appropriate committee to deal with the bill.

Hon. Mr. Choquette: It is something for them to put their teeth into, anyway.

Hon. Mr. Smith: It is a health matter and should therefore be referred to the Standing Senate Committee on Health, Welfare and Science. That may be ascertained by reference to the appropriate rule. In the event some of our legal colleagues have comments to make, they should have an opportunity to consider the bill in some detail before the appropriate committee meets. Therefore, on the basis of these two points, I would move the adjournment of the debate.

Hon. Mr. Choquette: Honourable senators, I wish to ask one or two questions because, as the last speaker pointed out, we have just been provided with a copy of this bill and it is far from clear at first glance. As I understand it, there was a time when all dentists who graduated were general practitioners in dentistry. I am putting the question to the Honourable Senator Smith; if you do not listen to it, you will not be able to answer my question. As I said, there was a time when those who graduated in dentistry, whether in Ontario or Quebec, were general practitioners in dentistry. Then I understand certain specialties were developed, for which I do not know if post-graduate studies were required, but then we had dental surgeons, periodontists and exodontists. Other specialties of which I am not aware may have been added. I have made a complete list of the categories contained in this bill, as follows: dental specialists, dental hygienists, dental assistants and auxiliaries, in addition to dental practitioners. My question is: will these additions contained in the bill require certain studies in a dental college, or will the apprentices and assistant nurses to the dentists qualify after a period of time? What type of course will they have to follow in order to obtain a certificate or diploma to qualify them as dental specialists, or dental hygienists? Maybe you do not know the answer. That is my question. If you do not know the answer—

● (1420)

Hon. Mr. Phillips: If I may attempt to answer Senator Choquette's question, a specialist will require, as at present, post-graduate study. A dental hygienist must attend at a university for a two-year period, and it is possible in certain provinces for the dental hygienist to return for a third year, which then entitles him to insert and trim the fillings after the dentist has prepared the cavity.

Dental assistants are trained in either high school or community college, such as Algonquin in Ottawa, and I believe that something like a 16-week training period is required.

The Hon. the Speaker: Honourable senators, it has been moved by the Honourable Senator Smith—

Hon. Mr. Choquette: Madam Speaker, I have a further question.

The Hon. the Speaker: Senator Smith has moved the adjournment of the debate.

Hon. Mr. Choquette: But I can ask all the questions I want, with all due respect.

Hon. Mr. Smith: I will withdraw my motion in order to permit the honourable senator to ask his question.

Hon. Mr. Choquette: There have been many discussions recently about denturists or mechanics who manufacture dentures. I was wondering if these people are being excluded from this bill, or whether provision should not be made for them to be included.

Hon. Mr. Phillips: Having received some explanation from the examining board, I will attempt to answer the question. They are not included in the bill for the reason that all provinces do not recognize denturists. The situation varies from province to province, and for that reason they are not included in the bill.

Hon. Mr. Smith: Honourable senators, I now move the adjournment of the debate.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Molgat: Honourable senators, I believe that all the other Orders of the Day, with the exception of items 6 and 10, will stand. I have spoken to Senator O'Leary, who wishes to speak to item 6. He has indicated to me that he would have no objection to having item No. 10 called first, as Senator Connolly (Ottawa West) has another engagement later in the afternoon and would like to speak at this time. Therefore, I request that item No. 10 be called first, following which we will revert to item No. 6.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

Leave having been given to proceed to Order No. 10:

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.—(Honourable Senator Lang).

Hon. John J. Connolly: Honourable senators—

The Hon. the Speaker: Has the Honourable Senator Connolly leave to proceed instead of the Honourable Senator Lang?

Hon. Senators: Agreed.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I should like to thank Senator Lang and Senator O'Leary for allowing me to speak first, and to thank the Senate for agreeing to have this item called ahead of item No. 6.

Since it was indicated that I had another engagement later in the afternoon, I should say that the engagement is in Room 256-S where I understand a group of students—they are not exactly students; they are called parliamentary interns—from both Canada and the United States are

to assemble. They want to hear something about the Senate of Canada, and I agreed some weeks ago to speak to them. Therefore, I am most grateful to the Senate for allowing me to speak at this time.

I suppose it should surprise no one in the chamber that Senator Croll should sponsor a debate on Senate reform. Since the honourable senator entered this chamber in 1955, he has been a reformer. Many of his earlier ideas were branded as unorthodox, and I might say that I have lived to see many of those ideas become respected and accepted in very respectable quarters.

Senator Croll has been engaged, on behalf of the Senate, in such fields as consumer rights with regard to prices, marketing and packaging, and in dealing with problems associated with lending and interest rates which affect so many of our citizens, particularly those on the lower levels of the economic ladder. He has dealt, at great length and very thoroughly, with the problems of poverty in Canada and the need for a guaranteed income. "The short and simple annals of the poor", as the poet described them, in the Report of the Special Senate Committee on Poverty in Canada have been shown to be neither simple nor short.

He was very active in the Special Senate Committee on Manpower and Employment which sat a number of years ago. That committee had a tremendous effect upon the legislative output and on economic and social activity in the country. His studies in the field of aging and the problems of senior citizens also belong in this general category.

Over the past many years, certainly since I have been a member of this chamber, the Senate has developed a great reputation, particularly through its Standing Committee on Banking, Trade and Commerce, for its expertise in the fields of banking, finance, and taxation, and also through its Committee on Legal and Constitutional Affairs. In a free society, in an open economy, this kind of expertise is an asset to the nation, because it ensures or helps to ensure a climate for economic and social development, which is most important, particularly for a young and developing country.

Thanks to the initiatives shown by Senator Croll and the members of this chamber who have served on committees which he has chaired, these last 15 years or so, the Senate has displayed a new thrust—a humanitarian thrust—a new expertise in the field of social policy, an expertise designed to benefit the poor and the aged, those people who cannot help themselves. We must all recognize that this enormous body of work has resulted in a very significant functional reform in this chamber. Over a century ago it was unpredictable that this should ever happen in this chamber. Without it, I feel, the Senate would have been badly out of step with the trends in modern society. With it, I feel, the Senate has given great leadership.

There have been other new thrusts that have developed in this chamber in recent years. I do not propose to enumerate all of them. In an article on the Senate of Canada which appeared under my name in the April 1972 issue of the *Parliamentarian*—and this was one of a series of articles on second chambers in the Commonwealth—I outlined some of the new thrusts which have recently come to the Senate at the hands of various senators—senators interested in science and science policy, senators interested in mass media, senators interested in land use, and others interested in foreign affairs. I must say, when I compiled the information for that article, despite the fact that I have lived through all these new developments, I was personally very impressed with the record, and I think we can all feel a great sense of assurance that even though there may have been no structural changes in Parliament or in this body, there are functional changes which are reforms and which are useful, and which have been helpful.

I do not agree that the Senate is in a crisis every time an untutored pressman or an inexperienced academic launches some shortsighted criticism at the Senate. I do not think honourable senators should be called upon to stand up and defend the Senate every time a shortsighted and ill-deserved criticism appears in the press or elsewhere. I think Parliament must be above that. I am more impressed with the prospects for long-range functional reform in this chamber than I am with any structural changes.

• (1430)

In another 20 days I shall have been here for about 20 years. I believe that the functional changes that can come to the Senate, which must come to the Senate, over a period of time as events emerge, will be the responsibility of individual senators, of those in this chamber who take initiatives and leadership, drawing others along with them. It is obvious to me that the functional changes we have had here in recent years have happened without structural change.

I now turn to the specific points Senator Croll outlined in his speech. I must say that the high quality of the debate to date, the excellent speeches made and the excellent proposals put forward by various senators for different kinds of reform, make me feel that I should devote more attention to those speeches than I intend to in the short time available to me this afternoon. I want to comment on only a few of Senator Croll's suggested changes, and I apologize for ignoring the other speeches, although they were impressive, I am sure, to all of us.

Some of Senator Croll's suggested reforms require legislative action, being of a constitutional character; others can be introduced without that kind of action. For example, I agree—and somehow or another I feel I may have originated this proposal myself some time ago—that the Opposition benches should not fall below one-third of the Senate membership. I think that appointment to the Opposition benches should be made by the Prime Minister from a panel submitted by the Leader of the Opposition party in the other place, because that is normally where such ideas should originate. However, I feel that the federal authority should retain the power to appoint to this chamber.

In my view, members of this chamber should be people who have a national outlook. We have been very fortunate in, and extremely well served by, those who have come here from provincial legislatures, from the premierships of provincial governments, and I want in no way to downgrade the capacity of provincial legislators to serve here. As a matter of fact, with the continued development of the federal-provincial conference, it would seem to me that a great many more provincial legislators are acquiring experience at the national level through that agency than might otherwise have been the case. The power of appoint-

ment should, I believe, rest with the federal authority, although perhaps there could be some arrangement whereby provincial groups, governments or legislatures could work out some kind of liaison. However, the last decision should, I believe, be made by the federal authority.

I agree that senators should be allowed to retire at the age of 70 at their option. In saying this, I recognize that there are many very valuable members of this chamber who would be lost to it as a result. I like the idea expressed by a number of senators that retired senators should be allowed to participate in our debates and in the work of our committees, even though they have not the right to vote, and even if they are not paid. Perhaps none of us will be here to see this development, but over the years great value could flow from a practice of this kind.

I agree also with Senator Croll that the Senate's absolute veto on money bills should continue no longer. On money bills, on appropriation bills, the Senate should have a suspensive veto only. I really do not care how long that suspensive veto lasts; perhaps three months, perhaps six months. Originally the British had it for a year. That is a matter for some debate and practical working out.

I do not agree, however, that the Senate should have a suspensive veto in respect of other bills. I believe that if other bills, particularly those affecting the Constitution of the country, came here and were subject to only a suspensive veto, this would effectively emasculate in important areas the legislative usefulness of a second chamber.

I believe that the leader of this house should be a member of the government. I think it would be intolerable if he were not a member of the government and another senator were a member of the Cabinet. I say this because of my own personal experience. I have spoken of this in this chamber many times, and I do not propose to repeat my reasons again today. During the years of the late Senator Aseltine's wonderful leadership in this chamber, that leadership was fraught with frustrations because he was not a member of the government. This is not a political criticism I am making of the government of that time. I know there were political problems about this. But I pay tribute to the late Senator Aseltine's struggle with a very difficult problem in those years. I think he performed his duties extremely well, and were he alive today I believe he would say that one of the reasons for his success was that he had great cooperation from all parts of the house. He deserved that cooperation, because he was a well-loved member.

I realize there is the possibility of conflict for the leader of the Senate who is a member of the government. He is faced with the difficulty of respecting Cabinet solidarity while at the same time being a senator. However, from my own experience I feel I can say that generally senators understand the dangers of these conflicts confronting the leader. Senator Martin has, I believe, been quite frank in these cases, and the leader's frankness in dealing with difficult situations can resolve problems as they emerge.

Having said all that, I repeat, as I have said many times, the Senate would profit by the addition here of ministers of state, ministers without portfolio, and perhaps particularly, from the practical point of view, by having parliamentary assistants. In the British House of Lords, even with its severely restricted powers, there are a dozen or more ministers at various levels sitting in that chamber. The plain fact of the matter is that in this country governments generally do not think of the Senate as an important element in the parliamentary process. This is a shortcoming, it is a mistake, and I hope that in time it can be corrected.

I believe that the legislative function of this chamber should be the predominant function. Parliament is designed to legislate, and I think the basic character of the parliamentary institutions we have in this country should not be changed. Historically the Senate has actually performed exceptionally well on legislation. I do not want to go back over a long period of time but in more recent years—in the last five or six years—the performance of the Senate has been noteworthy. For example, on the Investment Companies Act the Senate did an outstanding piece of work.

● (1440)

Honourable senators, I do not intend to describe all that happened here in December 1971 and earlier. I may be treading on eggshells or thin ice, but I say that the study of Tax Reform was one of the great achievements of the Standing Senate Committee on Banking, Trade and Commerce and of this house. If honourable senators want proof of that, they should look at page 1:21 of the record of the committee for April 17 last on Bill C-170, where the Honourable John Turner, Minister of Finance, recorded that all of the nine amendments, the important amendments, proposed by the Senate committee at the time of tax reform and before, are now part of the law of this country. Moreover, those provisions were made retroactive to January 1, 1972, the day the tax reform itself became operative. This is a great achievement. It is something that the financial press and the general press have ignored—with the exception of Mr. Vic Mackie of the Winnipeg *Free Press* who wrote an article commenting on this.

Honourable senators, in the interests of greater efficiency in Parliament, the Senate should initiate more legislation. Governments and ministers spend too little time thinking about parliamentary efficiency and the use of two chambers. Their concern is bound to be connected primarily with getting their legislation through the other house.

I have said this to the Leader, and I am sure he agrees, that it might well be a desirable move to set up a special section in the office of the Privy Council to keep track of the housekeeping bills required by all departments every year. They would be non-contentious bills. They are usually not money bills, even though they may be marginally fiscal. I would like to see more of that kind of legislation introduced in the first instance in the Senate, and getting the kind of consideration it can get here when we are waiting for other legislation from the other house.

Senator Brooks, when he was Leader of the Opposition or when he was Leader of the Government, I think—used to say that 95 per cent of the legislation that comes before this chamber is non-contentious politically. Here is an opportunity for governments, an opportunity that ministers could utilize for the purpose of having greater efficiency in the work of Parliament.

The even flow of legislation between the two chambers is just an impossible proposition unless you have the

congressional system where bills start at the same time in both houses. Even if there were a committee of both houses to expedite the even flow of legislation, I doubt whether it could function perfectly.

Honourable senators, having spoken at some length about the general proposition of Senate reform, I wish to make a particular plea for the preservation of what we know as the parliamentary system. When the Fathers of this country wrote our original Constitution and had it passed by the British Parliament in 1867, they had rejected the congressional system of the United States. They had also rejected various forms of presidential systems as they were then found in Europe. They chose the establishment of a parliament, consisting of the Crown and two branches of the legislature, for a federal state.

The parliamentary system they were thinking about—and that we now have—has survived in the United Kingdom, with reforms, for many centuries. We should not forget that it has proved to be adaptable, not only in war but also in peace. It has evolved in Canada and will continue to evolve, I hope, as there are changes in our federal scene. Mr. Churchill said at one time that Parliament is not the best method for the governance of peoples; it is, however, the best known method. That is not a bad statement.

I have been rather impressed lately with statements emanating from the mouths of spokesmen in Europe, about the British entry into the Common Market. We may not be emphasizing sufficiently the great economic strength and the economic benefits that flow to Europe as a result of the British entry. They speak, rather, emphasizing the great contribution that Britain would make, that the British parliamentarians would make, and the great influence they would have, which would spring from the virtues of the parliamentary system. We may have something in the parliamentary system the value of which we do not advert to too often and do not appreciate well enough.

We should remember that all the great democracies of the West—the United Kingdom, the United States, France, Italy, Germany—have bicameral legislatures, whether they are unitary or federal states. I am not enamoured of the experience of unicameral systems, or even of single party systems, that are developing among some of the emerging nations.

Parliament must remain adaptable. It must remain subject to reform. The reform must be undertaken responsibly, prudently, without undue haste, with reason and not with emotion. For all of these reasons, the wisdom of the ages has always surrounded constitutional change with safeguards and roadblocks and difficulties. There must be some sense in that kind of safeguard. If reform is not to come from revolution in this or any other country, the reformers must know intimately the machinery available for amendment.

Senator Forsey, in his very useful contribution to this debate, reminded the Senate that since 1949 constitutional change in Canada in respect of the federal establishment can be achieved by Parliament—that is, by the consent of the monarch, by and with the advice of the Senate and House of Commons. The authority for that is section 91(1) of the British North America Act. That may be an over-

[Hon. Mr. Connolly (Ottawa West).]

simplification of the fact, as Senator Forsey will agree, but ultimately that is what it resolves to, given certain safeguards that require to be observed on behalf of the provinces—provincial representation in the Senate, for example.

The fact is that under this system each of the elements of Parliament has a veto on a bill to modify the Constitution. Using this device, the Governor General has a veto. I suppose that, in theory, he could withhold his consent. That is unlikely.

If a bill providing for a change in the Constitution of Canada originates in this chamber, a veto by the House of Commons is a possibility. If such a bill originates in the House of Commons and is sent to the Senate and the Senate does not like it, there may be a problem about the Senate's exercising its power of veto. I should think, however, that a bill originating in the House of Commons to abolish the Senate, or to abolish the monarchy in Canada, would never be presented, unless the government of the day or the house had a clear popular mandate so to do. If the house should try, the Senate has the last word. So, in fact, the ultimate safeguard for the parliamentary system for which I argue, and as we know it, is precisely the Senate, a house which is appointed, not elected—a fact which may disaffect the democrats of this country, but that arrangement was made over 100 years ago and there may still be value in it. At any rate, the veto at the moment is in the Senate.

● (1450)

Honourable senators, the government placed before the federal-provincial conference of June 1971, which was held in Victoria, a proposed draft statute called the Canadian Constitutional Charter. I wish to speak particularly about two of the articles contained in that draft legislation.

Article 49 of that proposed legislation would provide, if the bill became law, that amendments to the Constitution of Canada thereafter would have to be made by proclamation by the Governor General under the Great Seal and authorized by resolutions of the Senate and House of Commons, with the condition that those resolutions would be approved by every province with a population of at least 25 per cent of the total population of Canada—in other words, Ontario and Quebec—two Atlantic provinces, and two Western provinces having a population of 50 per cent of the four Western provinces. Such a resolution from the House of Commons could provide for changes in the status and function of the Governor General or the Crown; could provide for changes in the status or function of the Senate; and could provide for the abolition of either or both.

Article 51 of that draft legislation would provide that, should the Senate fail to pass the resolution within 90 days of its passage in the House of Commons, and should the House of Commons then again pass the resolution, that resolution would become law.

Honourable senators, the Canadian Constitutional Charter was stillborn. Quebec would not consent to it—not for reasons based on these articles which I have just mentioned, but for other reasons—and the government of Saskatchewan could not give its consent, and never has, because almost at the time the conference took place there

was an election in Saskatchewan. So the proposed Canadian Constitutional Charter is in limbo, in effect. But it could be revived. If it were to be revived, it would have to be passed by Parliament as a statute of Canada to become effective. I say to the Senate that, if the Senate were to pass a bill establishing this charter, the Senate's veto for constitutional change and for other major changes would be lost. If this draft charter, or some substitute therefor, is again discussed, I hope that, in the interests of preserving the parliamentary system in this country, amendments will be made touching the following points:

First, with respect to Part I of the draft charter which deals with political rights, the guaranteeing of freedom of speech, freedom of the press, freedom of religion and the other basic freedoms, I should like to see added a guarantee of the continuation of the federal parliamentary structure to consist of the office of Governor General, the Senate and the House of Commons.

Second, I should like to see somewhere in that statute provision for making changes involving the function of either body, the method of appointment in the case of the Senate, the complement of members in the two houses, and other related matters, including, for the Senate, a six-month suspensive veto on money bills only. These changes would be made pursuant to the provisions of articles 49 and 51 of the draft charter.

This is the first time that we have really had an opportunity to consider that proposition, and that is why I thought in this debate it was important to bring it to the attention of the Senate. But, honourable senators, I would consider that a suspensive veto on all bills that come to the Senate would not be acceptable, and I would regard a bill to abolish the Senate under that charter to be a step beyond the formula provided in articles 49 and 51. Indeed, I would go so far as to say that it should be impossible to effect constitutional changes, including the abolition of the Senate, in an indirect way, such as through an appropriation act, or under a $1 item, or by reducing the appropriation of the Senate to $1. I would want to see any major constitutional change in this country faced head on, with the full issue before the Parliament and the people of Canada so that they know exactly what they are voting upon. I would not want red herrings, such as disputes about $1 items or items in an appropriation bill, to distract either Parliament or the people.

Honourable senators, the parliamentary system has served us well. It can continue to serve us well. However, I do not necessarily argue that the Senate should continue to be an appointive chamber. When the Senate was originally established it was a sort of half-way house between the hereditary chamber in Britain, the House of Lords, and the directly-elected Senate in the United States. Just as the Senate has been a half-way house, so too our whole being in this country has been a matter of compromise between circumstances in North America and circumstances in Britain, particularly constitutional circumstances.

Nevertheless, I believe that our parliamentary system can be reformed to meet emerging conditions, and I only hope we can be prudent enough in this young, expanding country to insist upon the preservation of its essentials, because this system has been tried and its value has been unquestionably proven as adaptable and useful. It is perhaps the best known system for the governance of peoples.

On motion of Senator Lang, debate adjourned.

• (1500)

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FIFTEENTH MEETING—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Aird calling the attention of the Senate to the Fifteenth Meeting of the Canada-United States Interparliamentary Group, held at Washington, D.C., and White Sulphur Springs, West Virginia, from 4th to 8th April, 1973—(Honourable Senator Molgat).

Hon. Gildas L. Molgat: Honourable senators, I believe Senator O'Leary wishes to speak on this order.

The Hon. the Speaker: Honourable senators, has the Honourable Senator O'Leary leave to proceed?

Hon. Senators: Agreed.

Hon. M. Grattan O'Leary: Honourable senators, I have just come from addressing an audience of parliamentary wives, and I must say to you quite frankly that I shall now be casting my pearls in front of a far less attractive audience.

I had not intended to speak on this subject, but there came to my desk yesterday a book that has just come off the press, written by a Mr. Matt Abrams of Harvard University and entitled *The Canada-United States Interparliamentary Group*, and which has been put out in Canada by the Canadian Institute of International Affairs. The clear implication one gets from this book concerning the Canada-United States group is that the group is dying from public indifference, and I agree with that. There is not today the interest or the hope for this interparliamentary group that existed eight or nine or ten years ago when I first became a member of it. Let me add immediately, that having attended the last meeting held some months ago I thought there was some repair of the neglect, and I think that the two leaders in this house particularly deserve congratulations for the character of the delegates we sent to Washington.

However, honourable senators, I was sorry that one member of this house was not a delegate. I refer to Senator Macnaughton. I say this because he had contributed a great deal to this organization, and is in the position to contribute more.

I must say that I was very proud, as one of the Canadian delegates, when on the day of our first meeting in Washington we had presentations on the Canadian position from Senator Grosart, my deskmate—and I wish to God I had his industry and ability—from Senator John Aird on the other side of the house, and from Senator Lamontagne. I also know that in the other committee—and there were two, one dealing with security and the other with economic affairs—a great contribution was made by another of our Canadian delegates, Senator Laing. His contribution did not consist merely of the presentation he made there;

there were also the statements and speeches that he made to the delegates.

I should also add, honourable senators, that our delegation had heightened importance and heightened respect because of the contribution made by Her Honour the Speaker. This was not simply because she was the Speaker, but because of her intelligence, her charm and her wisdom.

Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: You do not need to be a Speaker to impress yourself on an audience such as the people we have to deal with in Washington.

I thought too that our delegates on this occasion were of a better breed than had been the case in other years. But, honourable senators, I must add that if you have the wrong delegates, you just cannot brief them. In our meetings with our friends in the United States we are always confronted with the situation that because of their system, particularly because of their committee system, they are, quite frankly, better informed on foreign affairs and even on domestic and Canadian-American affairs than we are.

It is not possible to pick men to go to Washington, bring them before some very able young man from the Department of External Affairs, and have them briefed on these matters in half an hour. This is just not possible, and in the past I have deplored the fact that not sufficient care is taken in the selection of our delegates. As we all know, in most cases our delegates to these conventions—and the same situation exists in respect of the IPU, NATO or Commonwealth Parliamentary Association meetings—are selected by the Whips. I suppose the system imposes this on the Whips, but in many cases they are chosen because they have voted for the right things, in the right way and, in their estimation, at the right time.

Honourable senators, the relations between Canada and the United States should prohibit that sort of thing. Someone said some years ago that if ever conflict broke out between Canada and the United States, all hell would clap for joy. This is the situation that confronts us. We may go to NATO and state our position, whatever it may be, there. We may go to the IPU meeting and we may go to the Commonwealth Conference as well, but transcending by far the importance of all these put together are our relations with the United States. These are dictated by geography; they are dictated by history; and come weal or come woe they are going to affect not only our future but our destiny.

Therefore, honourable senators, it is tremendously important that we send to Washington the best brains and the best ability our Parliament can afford. This is paramount, but I am very much afraid that we have not always done that.

Honourable senators, I would make many changes in these meetings. In the first place, as I listened to Senator Grosart, Senator Aird and others speaking in Washington, it occurred to me what a great pity it was that they were not talking to the American people. We were simply talking amongst ourselves. For some strange reason which I cannot understand, it has been laid down as a custom that the press is excluded from these meetings. I would have liked to have seen the Washington *Post*, a great newspaper, and I would like to have seen the New York *Times*, have their people there to hear the Canadian case presented by Senator Grosart, Senator Laing and Senator Aird. I think it would have been a great gain for both our countries. But, as I say, the press is excluded from these meetings. And why, I do not know. And so we keep talking to ourselves and we might just as well be talking in a grainfield in Western Canada.

These meetings are followed by the issue of a communiqué—which never sees the light of print. I could not find it printed in any American newspaper this year, nor could I find it in any Canadian newspaper. So what is the value of it?

We must talk to our respective peoples. We do not go there in confrontation; we do not go there to debate and argue. We go there to enlighten, not to enrage. We go there to conciliate. We go there to blur difficulties and to blur conflicts before they become irreconcilable. This was the meaning and this was the concept of the men who created this interparliamentary group. But I must say that in recent years the character and the calibre of both delegations has declined enormously, although not so much, perhaps, on the American side. This year, for example, they had Senator Hubert Humphrey, an ex-presidential candidate, and Senator Muskie from Maine, a man of importance. It is of great value to have men such as that.

● (1510)

I sometimes complain about our External Affairs Department paying too much attention to the State Department. Honourable senators, the State Department does not make the policies that affect us. The policies which mainly affect Canada in her relations with the United States are made in the Congress. These are the men whom we should get to know and impress with the importance of Canada today.

Last year, for example, in October I visited Washington on my own. Among the friends I saw there were Senator Mike Mansfield, who is a dear, warm friend of mine, Senator Frank Church of Idaho, and that great American and great pro-Canadian, if I may say so, Senator George Aiken of Vermont. On the evening I arrived in Washington the President had given a press conference in which he said, "We, the United States, must be careful in our dealings with Japan because Japan happens to be our best customer." Well, any Canadian at all could have instructed the President on that. I must say that Senator Aiken, who was the ranking Republican in the Senate, knew the facts, but I doubt if the average American does.

These are the things we should do. We should get to know these people, not the State Department. I don't care a tinker's curse about the State Department. I mean the people who can twirl a teacup and wear striped trousers. They are all right in their way and they have jobs to do, but they are not the people we should deal with when we are trying to inform Americans of the real character of our relations with them.

I would change our system and have it arranged that the important press of the United States attend all our meetings in Washington and, incidentally, in Canada. I would do something else; I would implore the leaders of our parties in this house and in the other place for heaven's sake to appoint the best ability and brains they can select.

I will also say—and I know that Her Honour the Speaker will agree—that I would cut out the social side of it altogether. You are not doing much for American-Canadian relations by taking a lot of dear ladies down to the Greenbriar Hotel. It is too important to leave to glorified tourists. We must go there and make it a workshop.

Incidentally—and I am sure Your Honour will agree with this—I would not have the Speakers of our two houses as co-chairmen of our delegation. I would have Your Honour there in any event, but to say that the Speakers of the House of Commons and the Senate must be co-chairmen of our delegation is utter nonsense. How do we know who the Speakers will be? The delegations of the House of Commons and of the Senate themselves should elect their chairmen.

We must cut out this utter nonsense. We do not want those saccharine statements we sometimes hear, those pleasant things. This is all nonsense. We go there to talk facts to those people, and they expect us to talk facts. I told them myself in this last meeting, "Gentlemen, I hope that you have not destroyed a dictatorship in North Vietnam to set up a dictatorship in the South." They understand talk like that. As a matter of fact, the chairman I was sitting beside was a "hawk" and he did not object to that. He probably thought there was a grain of truth in it.

If we can get the right people to go on these delegations and get the Americans to appoint the best people there, we can render a great service to our countries. In this time of cloud and pain, when the whole world is in turmoil, if we, Canada and the United States, cannot demonstrate to the world that it is possible for two nations to get along and live side by side, then what in the name of God is the use of sending people all over the earth to talk to people who have neither our conditions nor our problems. I do think that this Canada-United States group can be made into a very useful organization, and a vital one, at the present time.

We hear reports from the United States and read them in the press. I am absolutely outraged personally by those Watergate hearings. There are rules of evidence in our system. There must be rules of evidence. Henry James once said that without fair play, without sportmanship, you cannot have democracy at all. When I hear of men being questioned without the least regard for the rules of evidence, and that being televised all over the world, then I must say I feel horror and despair. I hold no brief for Mr. Nixon, but the truth of the matter is that right now he is being crucified on a cross of innuendo. That is a fact. Forget about what he did in Vietnam, or did not do somewhere else. He is entitled, as any man is entitled, to fair play and justice, and he is not getting fair play and justice at this time.

For myself, I am a pro-American; and when I hear people talking about the Americans I say to them, "Listen, in the land of Jefferson and Lincoln liberty needs no lobby." Sure they make their mistakes; sure they annoy us and we annoy them; but that is what the life of free men is about. Let us resolve in this house and, I hope, in the other place, that in years to come we will send to Washington the best brains, the best hearts and the best consciences we can summon, and God grant that relations between our countries will remain as peaceful as they are today.

On motion of Senator Molgat, debate adjourned.

BROADCASTING

COMMITTEE AUTHORIZED TO STUDY RADIO AND TELEVISION COMMERCIAL ADVERTISING IN CANADA

Hon. Sidney L. Buckwold moved pursuant to notice:

> That the Standing Senate Committee on Transport and Communications be authorized to examine and report upon the question of the advisability of steps being taken to ensure that all radio and television commercial advertising broadcast in Canada be completely produced in Canada, utilizing Canadian manpower to the maximum possible extent.

He said: Honourable senators, I am rather sorry that I introduce this motion just after the speech of Senator O'Leary, which I am sure all senators will agree was one that inspired the Senate and made us very proud of the honourable senator.

● (1520)

In introducing a motion of this type, I would like to make it very clear that it is in no way directed in any philosophical manner against our American friends, but it does have very pro-Canadian implications which should be of interest to this chamber and indeed to the whole country.

There is a growing awareness in Canada of things Canadian. This concern involves not only the economic life of the country—for example, foreign-controlled industry or takeovers of Canadian resources by foreigners—but it relates also to our cultural standards.

I believe Canada has made great progress in recent years in developing a distinctively Canadian culture, although we have a long way to go. This has been done through federal and provincial action, both legislative and financial.

I could point out many ways in which we have developed a Canadian cultural identity. I refer to the Canada Council, which has done magnificent work. It is a noble concept, a unique idea, and I am sure it is recognized throughout the world as a contributing factor in encouraging Canadian artistic endeavour. The National Film Board has also done a magnificent job. We have the CBC, which is a Canadian cultural instrument, and the Canadian Film Development Corporation. A contribution is being made—perhaps it will be even greater in the future—to biculturalism in this country, and to multiculturalism in which steps are being taken to involve many of our ethnic groups in developing the Canadian mosaic.

I suggest that through these means, through encouragement of our Indian and Eskimo art, through policies affecting our museums, we are seeing a tremendous upsurge in the whole feeling of a Canadian identity through Canadian culture.

The field of broadcasting is, of course, a very important component in cultural communication. I should like to quote the words of the Honourable Hugh Faulkner, the Secretary of State, in charge of cultural affairs. Speaking

to the Canadian Broadcasting League in March of this year he said:

> I think Canadian broadcasting still has a lot to do in order to fulfil this potential.

He was referring to the Canadian cultural impact:

> In my judgment the vitality of Canada's cultural expression is fundamental to a strong and independent country. I think that we need to become more aware of what our artists are doing and to provide greater opportunities for their work to be seen and to be heard because their work is a reflection of ourselves, an interpretation of Canada and Canadians. And I think that if we continue to rely on outsiders to do this interpreting for us, our understanding of ourselves as a people will never grow. Broadcasting offers one of the best environments for the development of this national self-awareness—

In the same address Mr. Faulkner zeroed in on some of the problems to be considered by the Canadian Broadcasting League, and said:

> The four main topics that you will be discussing during the course of the next two days—the economics of the Canadian Broadcasting System; educational television; advertising, including a look at the question of the Canadian content of commercials; and citizen involvement in the media—are subjects that are not only timely, but vital to the continuing development of the Canadian broadcasting industry. These subjects are of major interest—

I should like to emphasize Mr. Faulkner's next point:

> I am delighted, for example, to see a discussion of Canadian content of commercials on your agenda. As you are undoubtedly aware it's a subject of considerable concern to the film-makers in the country—and I look foward to the results of your discussions.

The province of Ontario considered the subject to be of such importance that a Select Committee on Economic and Cultural Nationalism was appointed, and hearings were held not many months ago. Many submissions were concerned with the subject of today's motion. They included one from a group known as the Agency Forum, which apparently represents 47 of the smaller independent advertising agencies.

The submission of the Agency Forum to the Ontario Select Committee on Economic and Cultural Nationalism was concerned with all aspects of advertising, but made special reference to commercial advertising on television and radio. I propose to refer only to that aspect of their brief.

The brief explained in some detail the advantages that foreign-owned corporations, using commercials produced in the United States or in other foreign countries—because certainly they are produced all over the world—have over Canadian-owned industries, and said:

> It is the fact that a U.S. company here can import its advertising production components for almost nothing, while a Canadian competitor must pay the full price to have it produced. It is not the advertising agency that pays, it is the advertiser and only if you are Canadian company must you pay the full price.

[Hon. Mr. Buckwold.]

> For instance, Americans are being wooed with a television commercial—

This was well reported in the press when the brief was submitted:

> —that shows a herd of cattle stampeding towards the camera while the announcer intones: "Merrill Lynch is bullish on America." The same commercial can be seen in Canada, but this time: "Merrill Lynch is bullish on Canada." That commercial cost $90,000 to produce in the States, but only $64.80 to import into Canada.
>
> This $90,000 is used to pay for the cameraman, director, producer, film editing and processing, opticals, musicians, announcer and in this case the rancher who owns the cows and the cowboys who managed the herd, as well as the many other behind the scenes people who would be involved in producing a commercial such as this. In short, the labour-intensive, talent-intensive part of an advertising budget. It is safe to estimate that over one hundred people would have a hand in this one production.

Hon. Mr. Everett: I thought I heard the honourable senator say that the advertiser pays for this.

Hon. Mr. Buckwold: Yes, that is right.

Hon. Mr. Everett: Would you mind repeating that?

Hon. Mr. Buckwold: Certainly. "It is not the advertising agency that pays, it is the advertiser." I presume that is if an advertiser pays his fee through an advertising agency.

Hon. Mr. Everett: Surely, if the cost is being borne by the American company, it is a saving to the Canadian advertiser if he pays only $64.80.

Hon. Mr. Buckwold: The point being made is that those Canadian companies which produce a film in Canada are at a disadvantage in that an American multinational corporation is able to produce a film in the United States and bring it into Canada at negligible cost.

Hon. Mr. Everett: But you will agree that the advertiser pays less cost because the product is imported.

Hon. Mr. Buckwold: I am endeavouring to make a point about the unfair aspects of production costs, and I am giving a breakdown of the way they are computed. In Canada we pay $64.80 on a $90,000 commercial. The brief goes on:

> The cost of importing any previously used one minute T.V. commercial from the U.S. to Canada is 20% of $324 or $64.80. This duty is in no way related to the actual cost of producing the commercial but is based on a constant evaluation—$3.60 per foot—regardless of what the U.S. company paid to produce the material which would in most cases probably average well over $20,000 per spot and it is not too unusual for production costs to exceed $100,000 per spot. There is no set duty on a single radio commercial. A whole reel of taped radio commercials—regardless of how many actors, singers, musicians, etc., are used in the production—is evaluated at $4.00 and the duty is 20% of that, or 80¢. There is, of course, no Canadian company that can have produced for it even the most simplistic single commercial at a cost of 80¢.

You can't even buy a blank reel of tape for that amount.

● (1530)

How much imported commercial television and radio advertising is there? It is a little difficult to determine. I was in communication with Mr. Paul Siren, General Secretary of the Association of Canadian Television and Radio Artists, and in a letter to me dated February 1, 1973, he said:

> It appears that at the moment there is no factual information relating to the number of television and radio commercials produced in the U.S. or elsewhere in the world that are being broadcast on Canadian television and radio stations. The Institute of Canadian Advertising and the Association of Canadian Advertisers claim that only about 30 per cent or 35 per cent of national commercials on Canadian television are imported commercials. We are not sure as to how these figures have been obtained or what is considered as a Canadian produced commercial, since in many instances the on-camera portion is produced outside and the voice-track is done in Canada with a Canadian performer. Our information is that there is no consistency of interpretation by agencies in this regard.

I suppose the number is not that significant. What may be of more significance is the exposure, the number of times that the commercials are shown. I suppose, too, that the time periods that these commercials are shown would have a much more significant impact than the actual numbers.

The Association of Canadian Television and Radio Artists also presented a submission to the Ontario Select Committee on Economic and Cultural Nationalism, and I should like to quote from that submission. I think it summarizes the position of the people in the industry.

> Television and radio commercials represent a very substantial industry. The advertising industry constitutes a pool of work that must be available to Canadian professional performing talent as one of the means by which such a talent pool can be sustained.
>
> In addition to maintaining a high standard of information on the value of goods and services available to Canadians and the maintenance of ethical standards that will avoid misleading claims, ACTRA—

That is the Association of Canadian Television and Radio Artists.

> —believes that it is now time to require that all television and radio commercials should be produced in Canada by Canadian skills and designed for a Canadian consumer audience. Exceptions to this may be made in the case of visual requirements concerning climate and locale not available in Canada.
>
> ACTRA further believes that Canadian talent must be employed except where an advertiser may wish to use a person of international reputation who does not reside in Canada. There may be cases of unique talent that is not to be found in Canada, but that surely is extremely rare.
>
> Commercials and programs on television and radio go hand in hand. It is not uncommon for an advertiser to wish to engage an entertainment personality who is immediately recognizable by the viewing audience. If we do not produce television programs and radio programs that create Canadian personalities in this media, then the advertiser is denied such talent in Canada . . .
>
> We believe that Canadian culture is a powerful force. It is potentially the great unifier. It is one method we may use to define ourselves. It is an industry employing thousands of people, with a gross value probably approaching a billion dollars. Therefore, the cultural industry can be a decisive force in pointing the direction of this country to a healthy and constructive national purpose.

These are the kinds of submissions that have been made.

The report of the Special Senate Committee on Mass Media, which was chaired by Senator Davey—and I hope Senator Davey will speak on this particular motion—warned of the rate of growth of American-owned advertising agencies operating in Canada, and predicted that in 10 years the Canadian advertising industry will be more than 50 per cent in the hands of American interests. In that report there appears a quote from the submission by the Toronto radio station CFRB, which says:

> It is within the power of advertising agencies to exert a profound influence on the life style of the Canadian people. The advertising they create, to a considerable extent, sets the standards of taste and the level of consumer demand for a nation.

I could refer to many such quotations. Peter McConnell, President of McConnell Advertising Agency, has expressed great concern over the growing influence and strength of American-owned advertising agencies and the effect this has on the Canadian industry. He says:

> If we could have legislation pertaining to Canadian content of advertising, then we are getting at the problem.

Honourable senators, Canadian-made commercials would provide hundreds of jobs for Canadians. If we want to assist Canadian talent—and I certainly think we should—what better encouragement can we give than what I am suggesting today. We have very limited fields in Canada for them. Many Canadians have to emigrate to other countries in order to make a living in those fields. This would provide economic encouragement to large numbers, including writers, technicians, actors, and so forth.

We have a great pool of talent in Canada. Let us put it to work in this field. We have already seen movements in this direction. The CRTC regulations state that there has to be 50 per cent Canadian content in television programming and 30 per cent Canadian content in radio programming. When these changes in the CRTC regulations were brought forward a few years ago there was a great hue and cry. People were saying that Canadian artists could not do it. However, as a result of those changes we have seen the development of some very fine Canadian talent. The changes in those regulations provided a tremendous boost for the Canadian entertainment picture. Sceptics scoffed, that is true, but we have developed some excellent Canadian artists and technicians.

There is a specific problem in so far as French language commercials are concerned. I am not well acquainted with those problems, and I hope some honourable senators representing the province of Quebec can enlighten us. From what I gather there seems to be some concern with respect to the dubbing of local voices on commercials made elsewhere. I have even heard that some commercials made in France and using a Parisian accent—which I, perhaps, would not quite be able to distinguish—are not acceptable in the province of Quebec. They would much prefer to have a Québécois accent, and again some honourable senator from the province of Quebec might be able to enlighten us on that.

There have been experiences in other countries in this regard. The Commonwealth of Australia has seen fit, by regulation, to do what I am proposing here this afternoon. They have been able to do it effectively and without too much disruption.

It can be said that there will be counter-effects. I think Senator Everett indicated a problem area would be with respect to those advertisers involved with multinational companies having to pay more money to have their commercials produced in Canada when it would be cheaper for them to get them through the company in the United States. This is true. One of the major points in my submission is that this is unfair competition to the Canadian company. A Canadian company owned here, without the ability to have these commercials made for foreign use around the world, or just the United States, is operating in an unfair competitive position compared with those companies which have them made in Canada because they are Canadian. It may be said that the Americans will retaliate in a variety of ways. I would not think this would be too serious a problem.

● (1540)

In conclusion, may I quote Pierre Juneau, the Chairman of the CRTC, and a most knowledgeable man in the industry. Mr. Juneau told a seminar of the Association of Canadian Advertisers on May 1, 1972, that it was important to have all radio and TV commercials produced in Canada. He asked the communications industry to do it by laying down their own rules without government regulations, and went on to say:

> I am absolutely convinced that there is in Canada all the needed talent, artistic and technical, for the production of top quality commercials.

The *Toronto Star* of May 4, 1972, commented:

> Mr. Juneau may be overly optimistic when he expects the Canadian advertising agencies to enforce a made-in-Canada rule itself. The industry is hard-pressed to govern itself now. And what agency will be able to foil an American subsidiary's demand that its parent's tapes be used.
>
> Having delivered his warning, Mr. Juneau should now give the industry a reasonable time to change its ways. If it doesn't, then the CRTC should lay down regulations to force a change.

I am suggesting that this matter go to a committee for study. I am in no way recommending large expenditures of funds by a Senate committee. We have the Standing Senate Committee on Transport and Communications. I believe it would be an interesting and, I hope, rewarding study, wherein we could call witnesses from the advertising industry, the CRTC, the Canadian Broadcasting Corporation, the CTV network, and a variety of groups which may be interested in the subject. In mentioning these names I am in no way trying to be all-inclusive. I am sure there would be others who would want to make presentations in this regard. I believe such a study would serve a very useful purpose.

In summary, I would say that I make this motion for the purpose of, first, encouraging the Canadian cultural way of life; secondly, providing employment for Canadian talent; and thirdly, making it more equitable for Canadian-owned advertisers to compete with multinational firms who use low import cost foreign-made commercials for advertising purposes in Canada. I hope this motion will receive the discussion I believe it merits, and that the subject will be referred to a commitee.

Motion agreed to,

CAPITAL PUNISHMENT

MURDERS OF POLICE OFFICERS—CORRECTION TO ANSWER

Leave having been given to revert to Question Period:

Hon. Paul Martin: Honourable senators, a part of my answer to Senator Beaubien's question concerning murders of policemen in 1962 was wrongly reported in *Hansard* on Tuesday last. It reads that Eric Lifton was convicted on July 25, 1962. In fact, Lifton was convicted of the murder of two Vancouver law enforcement officers on May 10, 1962, and his sentence was commuted on July 25, 1962, to life imprisonment. I believe that was the way the response was given, and on looking over the record I find that this correction should be made.

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

THE SENATE

Tuesday, May 29, 1973

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

Prayers.

THE LATE SENATOR NELSON RATTENBURY

TRIBUTES

Hon. Paul Martin: Honourable senators, I understand from Mrs. Rattenbury that it was the intention of Senator Rattenbury to leave Saint John today, to be in his seat in the Senate this evening. His destiny was to be otherwise. We now regrettably mourn his passing.

Senator Rattenbury, who was born in the Province of Prince Edward Island, was summoned to the Senate in February of 1964. He had indeed a very distinguished record in war and in peace. He served in the Royal Canadian Navy from the beginning of the war to its end, from 1939 to 1945, retiring with the rank of Commander. He held a Foreign Going Master Mariner Certificate, which was a further demonstration of his love of the sea, as is the fact that he was President of the Navy League of Canada, the New Brunswick Division, for a period of four years. As many of us know, he was an avid yachtsman and belonged to several yacht clubs in his native province and in other provinces.

Nelson Rattenbury was a man of considerable distinction in the business world, heading his own company and serving in one capacity or another in a number of enterprises of significance to the Atlantic community and to the country.

He was a member of two Senate committees—the Standing Committee on Foreign Affairs and the Standing Committee on Transport and Communications. His intimate knowledge of the problems of the Caribbean enabled him to play a productive role in deliberations that led to the report of the Standing Committee on Foreign Affairs on Caribbean problems last year.

He was interested in the establishment of economic and educational opportunity for all people. Many of us will recall his valiant efforts to that end in his native province in 1966. It was at that time that he established for himself a recognition as one of the champions of understanding between the two founding races of Canada.

To his wife and the members of his family, all of us, I am sure, join in this expression of sincere sympathy. I am sure we in this house will long remember his friendship, his gentlemanly qualities and the useful service which he rendered to Canada.

Hon. Jacques Flynn: Honourable senators, Nelson Rattenbury brought to this chamber the quiet, unassuming manner of a wise and reflective man, a man of profound insight and rationality. He preferred to ponder rather than to propagandize, to analyze rather than to argue, to seek solutions rather than converts. But Nelson Rattenbury was not only a thinker; he was an implementer, always eager to put reasonable plans into action.

This facet of his personality, along with innate business acumen, accounts for his huge success as an industrialist. Given the enviable scope and degree of the senator's talents, it was inevitable that his contribution in fields other than business should be equally outstanding, and so they were.

His record of military service is one deserving of the highest praise. He helped to defend his country during the Second World War with all the resourcefulness, vigour, dedication and determination that the man brought to every task he undertook.

For his political career the people of Canada and especially of New Brunswick should be most appreciative. He represented his province admirably; he was fully conversant with the needs and desires of his people. Canada as a whole he served by being a sound legislator. Common sense was his forté; he looked at legislation with the practised eye of a shrewd entrepreneur. His thinking was thorough and his heart was in the right place. He was an asset to the Senate, a friendly man whom it was easy to like and easier to admire and respect.

We are sorry he is no longer to be with us. To his Liberal colleagues, to his widow and to his family I offer on behalf of the Official Opposition our most heartfelt condolences.

Hon. F. Elsie Inman: Honourable senators, I should also like to pay tribute to the late Senator Rattenbury. I knew him first when he was five years of age, and throughout his boyhood years he was a great favourite among his colleagues at school. He was well beloved by all who knew him. He came from a well-known Prince Edward Island family and, as I mentioned here on a previous occasion, his grandfather just escaped coming to this chamber. For this reason I always felt that Nelson simply took his place.

Nelson Rattenbury left Prince Edward Island at an early age and joined the Merchant Marine, making an outstanding success of that career. When war broke out he entered the Canadian Navy.

I am sure we all deeply regret the passing of Senator Rattenbury, who did so much not only for his own province of Prince Edward Island but also for his adopted province of New Brunswick. We will all feel his loss greatly. To his widow, to his two sisters and to his stepchildren, I wish to add my own condolences.

Hon. William J. Petten: Honourable senators, I should like to associate myself with the remarks of the previous speakers. In the passing of Senator Nelson Rattenbury I have lost a great friend and Canada has lost a great Canadian. While illness during the past year kept him from attending on a regular basis, as he would have wished, his contribution to debate will long be remembered.

When I took my seat in this chamber, it was from Senator Rattenbury that I sought advice and counsel, and I shall always be grateful for his understanding and sound advice. I am sure all members of this chamber join me in expressing sincere sympathy to his dear wife Phyllis and family.

Hon. A. Hamilton McDonald: Honourable senators, sometimes I find it difficult to express the thoughts on my mind, and this is one of those occasions. When I first came to the Senate in 1965, one of the first senators I met was the late Senator Rattenbury. The last time he was in Ottawa attending the Senate he came to my office and we were discussing how we met. The strange thing is that neither one of us could really remember what prompted our first meeting. But it was one of those friendships that seem to just come out of the blue and we came to be very, very good friends. As a matter of fact, I think the senator was the closest friend I have ever had—a true and wonderful friend. He was a great supporter of not only New Brunswick and Prince Edward Island, but the Maritimes in general. After several lectures by me he began to understand the West a little bit, but he was truly a great Canadian, both as a parliamentarian and as a businessman. I do not suppose that I will ever have the opportunity to develop the type of friendship I enjoyed with Senator Rattenbury. I attended his funeral and I saw the grief of his wife and two children. I wish to join with the previous speakers in extending to Mrs. Rattenbury and her family the deepfelt sympathy of this chamber, and in expressing our knowledge of the contribution Senator Rattenbury made throughout the years as a sailor, a politician, and a businessman. There are few in this place or elsewhere who have made the contribution to Canadian society that Nelson Rattenbury made. I recall that on the day he first fell ill it was my responsibility to drive him to the National Defence Medical Centre. I wondered if he would ever arrive there alive. In the past many months his sufferings were far greater than any of us will ever know. The battle that he fought was a game one. If any man could have survived his medical afflictions, it would have been Nelson. But that was not to be. Again, I wish to join with all senators in expressing deepfelt sympathy to Mrs. Rattenbury and to all the relatives of the Rattenbury family.

● (2010)

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of text of correspondence between the Secretary of State for External Affairs and Mr. Marc Cayer on the subject of expenses associated with his return to Canada, together with text of a departmental memorandum itemizing these expenses.

Report of The St. Lawrence Seaway Authority, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of The Seaway International Bridge Corporation, Ltd., including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Minister of Transport on the administration of the Motor Vehicle Safety Act for the fiscal year ended March 31, 1972, pursuant to section 20 of the said act, chapter 26 (1st Supplement), R.S.C., 1970.

Copies of letter, dated April 13, 1973, addressed by the Minister of State for Urban Affairs to the Chairman, Metropolitan Board of Commissioners of Police, Toronto, Ontario, relating to Rochdale College.

Capital Budget of the Northern Transportation Company Limited for the year ending December 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-1172, dated May 11, 1973, approving same.

Report of the National Harbours Board, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to section 32 of the National Harbours Board Act, chapter N-8, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Reports of the Atlantic Pilotage Authority, the Laurentian Pilotage Authority, the Great Lakes Pilotage Authority, Ltd. and the Pacific Pilotage Authority, including accounts and financial statements certified by the Auditor General, for the year ended December 31, 1972, pursuant to section 28 of the Pilotage Act, chapter 52, Statutes of Canada 1970-71-72.

Copies of Communiqué issued following the Federal-Provincial Conference of First Ministers, held at Ottawa, May 23-25, 1973.

Copies of Order in Council P.C. 1973-1239, dated May 25, 1973, appointing the membership of the Food Prices Review Board and setting forth its terms of reference, pursuant to Part I of the Inquiries Act, chapter I-13, R.S.C., 1970.

Copies of a document entitled: "VIET-NAM: Canada's approach to participation in the International Commission of Control and Supervision October 25, 1972—March 27, 1973", together with notes for a statement in the House of Commons by the Secretary of State for External Affairs, the Honourable Mitchell Sharp, on Canadian participation in the ICCS beyond May 31, 1973.

ADJOURNMENT

Hon. Gildas L. Molgat: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Thursday next, May 31, 1973, at 2 o'clock in the afternoon.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Molgat: Honourable senators, the Standing Senate Committee on Legal and Constitutional Affairs met today and intends to meet again tomorrow. It is likely

to meet both morning and afternoon. A meeting of the Standing Senate Committee on Banking, Trade and Commerce is also called for tomorrow morning, and will likely continue during the full course of the day. It is intended, therefore, to devote tomorrow completely to committees.

On Thursday the Standing Senate Committee on Agriculture will meet in the morning. It is hoped that the Standing Senate Committee on Transport and Communications will also meet at that time. The chairman of the committee, Senator Haig, is unfortunately ill at this time and will not be present. However, there are matters to be placed before the committee and it is hoped that it will be called. I have checked this matter with Senator Haig, and he is in agreement that we should proceed with the meeting in order that the committee may deal with matters referred to it.

Motion agreed to.

VIETNAM

CANADIAN PARTICIPATION IN THE INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION—QUESTION

Hon. Mr. Flynn: Honourable senators, may I ask the government leader, in view of reports appearing in the press today, whether the Secretary of State for External Affairs has announced a decision on the continuation of Canadian participation in the Vietnam truce; and, if a statement has been made in the other place, whether the government leader would have it printed as an appendix to today's *Debates of the Senate.*

Hon. Mr. Martin: I have just tabled a report on this matter, together with the statement of the Secretary of State for External Affairs. Do I understand the question has to do with a suggestion that the full statement of the Secretary of State for External Affairs be printed as an appendix to *Hansard* of today? If so, I shall be glad to make that request.

Hon. Mr. Flynn: I would like the Leader of the Government to tell us the essence of the statement, and also to have the statement printed as an appendix.

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

Hon. Senators: Agreed.

(For text of statement, see appendix, pp. 671-672.)

Hon. Mr. Martin: The Secretary of State for External Affairs announced today that at the end of this month, pursuant to a statement he made earlier, we will be giving notice of withdrawal at the end of June of the Canadian participation in the International Commission of Control and Supervision.

In making this announcement, the Secretary of State acknowledged that it was a serious decision, but one that the government had carefully considered. Among other things, he pointed out in his statement that the Canadian participation, through Mr. Gauvin, the Canadian Ambassador, and Major General MacAlpine, had sought to make the commission an impartial fact-finding body, but that its efforts were frustrated. As peace in Vietnam depends on the parties to the agreement, and not on the commission, he could see no reason why the Canadian participation should continue.

There was a qualification expressed by the Secretary of State for External Affairs when he said:

> I am not convinced that there is much chance that an election will take place as provided for in the agreement, but if it should, (and we would want to examine it carefully to make sure it was this kind of election), and if no replacement had been found for Canada, we would consider sympathetically a request to return temporarily to the ICCS for this purpose, in the light of the circumstances then prevailing—

● (2020)

Hon. Mr. Flynn: An election in the South, of course.

Hon. Mr. Martin: Yes.

Hon. Mr. Flynn: There is no question of an election in the North.

Hon. Mr. Martin: An election in the South.

Hon. Mr. Croll: Or an election here.

Hon. Mr. Flynn: Well, it can wait.

Hon. Mr. Cameron: Honourable senators, I have followed these discussions and the activities in Vietnam with great interest. I think the government has made a very reasonable and fair decision. I do not think anyone can fault Canada for not having gone the extra mile to try and make that commission a success.

We can be proud of the performance of Ambassador Gauvin and Major General MacAlpine, and the whole Canadian contingent. Their performance has been a credit to Canada and to themselves. But, in the circumstances, I do not think there is any point in continuing.

I was rather interested in the comment which appeared in the newspapers to the effect that Ambassador Gauvin and the Hungarian Ambassador got along very well. The newspaper article stated that they were able to discuss their difficulties and differences without too much trouble, but the man in the Hungarian delegation who was difficult to deal with was the gentleman who, obviously, was the political commissar. Both Mr. Doug Rowland and I found this when we talked to him. He was the typical hard line type of chap, and he just would not deviate at all. The other members of the delegation were reasonable.

In any case, I just want to say that I do think the decision to withdraw is a proper one in the circumstances.

Hon. Mr. O'Leary: Honourable senators, what are we to take from the statement made by the Leader of the Government? Is it that at the end of June, if certain conditions are not met, we are going to withdraw from a position in which we should never have been in the first place?

Hon. Mr. Martin: No. The statement, as I explained it, in summary, is that we have given one month's notice of our intention to withdraw from the commission at the end of June.

Hon. Mr. O'Leary: Regardless of what?

Hon. Mr. Martin: That is our decision. We just withdraw.

Hon. Mr. O'Leary: We are going to bring the Canadian contingent home at the end of June, regardless?

Hon. Mr. Martin: That is right. However, if an election takes place under the provisions of the treaty, we will be prepared to give consideration to serving in order to assist in supervising the election, along with the other members of the commission. But it would depend on the circumstances then prevailing.

Hon. Mr. O'Leary: I am sorry to hear that we are going to give consideration, because that means a wrong decision when the consideration is over.

Hon. Mr. Forsey: Honourable senators, I am under the impression from what I heard in the gallery of the other place today that, in fact, we might, in certain circumstances, if it was found difficult to find a replacement, stay on as long as the month of July.

Would the Honourable Leader of the Government tell me if I was correctly informed on that?

Hon. Mr. Martin: Yes that is correct. The Secretary of State for External Affairs has said:

> I am not convinced that there is much chance that an election will take place as provided for in the agreement, but if it should, (and we would want to examine it carefully to make sure it was this kind of election), and if no replacement had been found for Canada, we would consider sympathetically a request to return temporarily to the ICCS for this purpose—

Hon. Mr. Forsey: I understand that, but I think there was also something in the statement to the effect that if it were found difficult to get a replacement by the end of June, we might maintain our people there on the commission as late as the end of July, though we should hope to get out before that happened.

Hon. Mr. Martin: I think what you are referring to is the reference to the discussions between Dr. Kissinger and Mr. Le Duc Tho. In that connection Mr. Sharp said, and I quote:

> We have since learned that the discussions which took place recently between Dr. Kissinger and Mr. Le Duc Tho will be resumed in June. We want to give those discussions every chance of success and we would certainly wish to do nothing that would complicate them by introducing what might seem to be too short a deadline for agreeing on a replacement for Canada on the commission.
>
> In recognition of that possible difficulty, we are prepared if the parties to the agreement so wish, to stay for a period beyond June 30 but not later than July 31.

Hon. Mr. Forsey: That is what I was referring to.

Hon. Mr. Flynn: Was this statement drafted by the present Minister of External Affairs or the former Minister of External Affairs?

Hon. Mr. Martin: Well, I had some input in it, but it was his statement.

Hon. Mr. Manning: I should like to ask a further question of the Leader of the Government. Under the existing arrangement, now that the government has given notice of intention to withdraw at the end of June, does that mean the entire Canadian contingent remains until that time and will there then be a process of withdrawal, or will the whole group be pulled out at one time?

Hon. Mr. Martin: Complete withdrawal at the end of June, subject to the qualification which Mr. Sharp has made and which I have just quoted.

PRIVATE BILL

NATIONAL DENTAL EXAMINING BOARD OF CANADA—SECOND READING

The Senate resumed from Thursday, May 24, the adjourned debate on the motion of Senator Phillips for the second reading of Bill S-7, respecting the National Dental Examining Board of Canada.

Hon. Donald Smith: Honourable senators, you may recall that last week I spoke very briefly on this bill for the purpose of keeping the debate open in order to give some of my legal friends, who had spoken to me about the bill, an opportunity to participate in the debate, and thereby give the sponsor, Senator Phillips, and those directly concerned a chance to consider their views.

The debate is now open for that purpose. If no honourable senators are prepared to voice their opinions on the legal structure of the bill at this time, they will still have an opportunity at the committee stage to assist in finalizing it and making it acceptable to all concerned.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Phillips, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

CLERK'S ACCOUNTS

FIRST REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION ADOPTED

The Senate proceeded to consideration of the First Report of the Standing Committee on Internal Economy, Budgets and Administration, which was presented on Thursday, May 24.

Hon. Donald Smith moved the adoption of the report.

Report adopted.

TRADE

CANADA'S DEVELOPMENT AS A MANUFACTURING NATION—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator van Roggen calling the attention of the Senate to the question of Canada's development as a manufacturing nation in the light of world trading patterns today.—(Honourable Senator Molgat).

Hon. Mr. Molgat: Honourable senators, this order stands in my name, but I am prepared to give way to Senator Desruisseaux.

The Hon. the Speaker: Is it agreed that the Honourable Senator Desruisseaux has leave to proceed instead of the Honourable Senator Molgat?

Hon. Senators: Agreed.

● (2030)

Hon. Paul Desruisseaux: Honourable senators, I was personally pleased by the very high quality of the speech made by Senator van Roggen on this most important and far-reaching subject, the question of Canada's development as a manufacturing nation in the light of world trading patterns today. I am not a member of our excellent Foreign Affairs Committee, nor a member of the study group that considered the operation of the Common Market. I have not had the good fortune of having been briefed by someone on this subject matter. I am confident that my good friend, Senator Croll, will recognize that when I speak on this subject I am not in conflict of interest—at least, not any more than any other senator who expresses his desire to witness the greater development of a manufacturing Canada, and an expansion of industrial and international trade for the betterment of all in our country.

I am, however, a shareholder and a director of financial, manufacturing and industrial public corporations, both national and multinational, both Canadian and foreign, which would benefit, with all other Canadians, from general economic and political policies that could be adopted and followed by our governments with respect to them.

In any event, in no circumstances do I feel I should ever grow so weak as to abdicate my personal inherent rights and my duty to express my views here as strongly as I feel it necessary to express them on matters of political, social and economic consequence where I believe I can be of benefit to our country. Indeed, I am deeply concerned that this country further develops its internal and external economy at, at least, a higher rate than its natural population growth.

We reached recently the highest percentage of unemployment among the world's industrial nations, in spite of our great achievements in export trade, and we now know why. We were informed at the beginning of May about United States legislation parallelling the now famous DISC law to prevent United States multinational manufacturing corporations from producing outside the United States, or at least to stop them leaving the United States in numbers. The proposal under consideration now is to reduce the development of tax-motivated foreign investment outside the United States in subsidiary corporations that can produce at better prices, making them more able to compete with the other industrialized trading nations of the world. As we know, the implications of such legislation for our country are both immediate and long term. Some investors will shy away from investing in Canada or elsewhere. It can be seen that the governments in Canada, trying to attract industry to their undeveloped regions, would pretty well have to stop looking for opportunities in the United States.

The Department of Regional Economic Expansion, and the various provincial agencies which give grants or underwrite loans to attract industry, would have to stop courting United States corporations, because any such corporation accepting such grants would be open to tax penalties at home, at the discretion of the United States Treasury. This is in addition to their notorious Domestic International Sales Corporations (DISC) legislation, which is already forcing American multinational corporations to pay, from now on, income tax on profits coming from their export subsidiaries on operations in respect to which income tax has already been paid outside the United States. On the current basis, it is a whip in the form of taxation. It may well affect the Canadian government's 1973 estimated capital investment of $23.8 billion—it was $21.9 billion in 1972—and this to some important extent, and more so when these corporations consider their situation under the foreign investment bill now before the House of Commons.

There is no need to repeat here any further comparative historical facts as to what is going on everywhere. What we now know and are sure of is that the trade arrangements providing common markets have stirred up the industrialization of the countries involved, and ended for a long time the splits and differences among them. They have lessened the dangers of war between those sixteen European countries which represent over 300 million people. The trade pact was not easily and quickly arrived at, and all is not yet rosy and smooth going among the sharers of the Common Market plan. But a goal for a common acceptance was set and recognized by all countries in their dealings, and it is working.

Canada is a small nation of 22 million people. For Canada to compete efficiently with an economic bloc such as I have mentioned is totally impossible, and quite foolish to attempt. We are now sure that competition in the future will become fiercer and more difficult among industrialized nations, and the moves of the United States is only the first round of the coming fight for international trade.

Canada, from an agricultural nation, had become a powerful and economically important nation after the world wars. It was able to improve its lot because of the destruction of so many of the larger powers in Europe. But now that those countries have been reconstructed, streamlined, and reorganized, now that they have become economically strong again and are taking their fair share of trade we have more reasons to look at and analyze intelligently and with ingenuity other world economic possibilities for us.

It was stated that it was a good guess that by 1980—a mere seven years away—some 300 large corporations will control 75 per cent of the world's manufacturing assets. I ask you to envisage the status of Canada and its citizens beyond that point, as the other nations of the world unite for their mutual economic and social advancement, and to share more and more the trading with those giant multinational corporations, some of which we are trying to chase away.

● (2040)

At the same time, let us not omit from our consideration the expanding international participation of the big monopolistic corporations—Russia, China and the other communist and socialist countries. There is no doubt in my mind about what might happen if we now make basic policy mistakes in our assessment of these facts.

I have the utmost confidence that in international trade, with the support of corporations and, yes, the needed economic help of our central governments, we can still

expand our international trade and realize important long-term progress for the betterment of all people.

It is a fact, however, that we now find ourselves in need of catching up with some of the European nations, because they are now welcoming the multinational corporations, which make excellent products priced competitively and which have general public acceptance on world markets. These European countries have given those multinational corporations the necessary economic and political backing—and by that I mean political backing from all parties of some importance. In this respect I am thinking of Germany, France, Italy and England and, nearer to us, the United States. I am thinking of what they have accomplished in this respect.

Here in Canada many choose not to follow this pattern. We have not shown the same real co-operative spirit. Some people have insinuated that multinational corporations are useless, that they merely take over, as foreigners, our manufacturers. Indeed, we have made the multinational corporations look and feel at times like unwanted strangers. In fact, last year we even tried to set unfair taxation traps for them in the proposed tax reforms.

We have called them "corporate bums," "beggars," "tax bandits" and much worse. We have intimated that in a number of cases we would be forcing the sale of what they had legitimately built up or acquired under the protection of our laws and with our approval. In some instances we are now even trying to deny them the civic and personal rights which we freely give to our newly arrived immigrants. Nevertheless, these multinational corporations have been and still are our greatest economic friends. They have performed most brilliantly and successfully for us in Canada; many of their experts, who came here to establish themselves, have become better and truer Canadians than some of us have chosen or dared to be.

They have provided a great many of us with stable and rewarding employment. With their international know-how they have created Canadian products which have been sold in good part on foreign markets, bringing back to Canada large amounts of new money that have stimulated our national economy and created great wealth for us. And don't we know that a great part of these collected taxes we would not otherwise have obtained? Their people have proven to be good, civic-minded citizens. So I now ask you by what right do a few political pseudo-intellectuals, who have so far achieved nothing worthwhile for Canada, and have been unable to do anything constructive or creative for our people, attempt to destroy the very base of our past and present successful economic, foreign investment and foreign trade policies? Are we to follow such leadership for Canada's economic future?

What have we to replace these economic strengths? Hear them talk about that, and you will hear again the shallowness of their arguments and of their leadership, and you will feel the emptiness of their teachings. What constructive alternatives do they offer? So I ask you also what have we been doing about these fellows and their theories?

Honourable senators, we will have the country we want only if we have the courage to do what is necessary to merit it. We, who have special historical reasons to recognize the consequences of these fallacious theories and practices, having known the impact of great depressions and lengthy unemployment, are deeply disturbed by the wacky, novel and confused proposals to remedy all economic ills by negative and destructive moves.

[Hon. Mr. Desruisseaux.]

[*Translation*]

To avoid going lengthily into the complexity of related considerations, I shall limit my remarks. Indeed, Senator van Roggen developed his argument enough to enhance its importance and indicate how interesting it would be for us to give it consideration.

In our economic world there is one constant factor. The more industrialized a country, and whatever problems it may encounter to maintain a high level of industrialization, the more that country also concurrently acquires increased purchasing power, which ensures a steady employment level, relative prosperity and economic and social security of its citizens. History has stressed the constancy of these results; like causes always lead to like effects.

Opposite conditions, for the same reasons, invariably bring about poverty and distress as a direct result of major economic stagnation.

Applying welfare and guaranteed income legislation, which I recognize is useful in an industrialized and developing country, does no more than exhaust corporative, industrial and finally national wealth, within an industrial economy which is allowed to die gradually. Only industrial development fosters the accelerated economic rhythm so essential to the real life and strength of a nation. Then, destitution and poverty become the general lot. You need only lift your eyes to see examples of this, even in our times, and not so far from us.

Here, in Canada, it is our expanding manufacturing industry and the manifold exchange of values, goods and products created by it since the two world wars which have made us rank high among industrial nations, enjoy constant progression of our national and industrial prosperity, and an ever-increasing individual and national wealth.

It has now become possible to imagine a regression of that industrialization, here at home. For me, it would be a fast move towards a disastrous economic standstill, with its known effects.

However we have in our country a few economists who recently declared openly that the economic future of Canada now lies in the international sale of our Canadian services. It is with the same boldness that they have told us that our industrialization should even be reduced in order to preserve our natural resources and should, so they say, be replaced by the sale of the services I just mentioned.

To use popular economic terms, these people advocate a reduced national manufacturing output in order to save raw materials. We are well aware of the effects of such a policy. Moreover, as far as rates are concerned, despite any progress that has been made in this area, let us say right now that for all practical purposes our exported services represent only an insignificant percentage of all our exports, even though efforts must continuously be made to expand this new kind of exports. I suggest that our economic future depends and will depend for a long time mainly on the export of our Canadian manufactured prod-

ucts, then on the sale of some of our natural resources and, finally, on the sale—to a smaller extent—of our services.

Statistics are there. The rate of growth of our country remains and will remain, according to projections, higher than the rate of growth of the export of services. The main purpose of our efforts must be to search for new markets, while developing our present manufactured exports.

Our economists tell us that the total volume of world trade will continue to grow in 1973. They expect the expansion rate to continue at least at its current level for the years to come. Undoubtedly Canada will have to fight seriously not to miss opportunities, but thanks to its efforts it can rightfully hope to see its international trade continue to expand.

Our country needs that to reduce its unemployment rate, to boost its national and international economic power and, even though the gross national product has in fact increased by 7.7 per cent a year between 1949 and 1967, at an average compounded rate, and continues to go up in such a fantastic way, it becomes obviously necessary to multiply our efforts towards a manufacturing expansion at a higher rate in order to improve significantly the availability of employment.

Without digressing too much, I would also like to mention the importance of regional economic problems that must be solved and which are related to our industrialization.

Important regions and provinces of Canada have not benefited directly from the economic growth that resulted from industrialization.

Especially since the end of the Second World War, relative prosperity in Canada has encouraged the appearance and persistance of regional disparities at the level of income and opportunities for employment which we were unfortunately unable to improve as much as was obviously necessary and as was our duty to do so.

In short, the condition of provinces and underdeveloped areas throughout the years has deteriorated.

The problem of low income and lack of employment is concentrated in eastern Canada, including our four Atlantic provinces and the eastern part of Quebec and now in addition certain other areas such as the Eastern Townships, which have been among the most seriously affected by unemployment exceeding 12 per cent during certain periods of recent years.

I say, with regret, that Canada and its provincial and federal governments have noted that the average individual income in five out of ten Canadian provinces has invariably remained lower than the national average, especially since the end of the Second World War. This income is less than two thirds of the national average in Newfoundland and Prince Edward Island, less than three quarters in New Brunswick, less than 80 per cent in Nova Scotia and less than 90 per cent in Quebec. The central government was not unfair when it undertook to allocate to those provinces transfer payments from the five wealthier provinces. Ontario, Alberta and British Columbia are the only provinces where personal incomes and per capita wage and salary incomes have been clearly over the national average, and steadily so since the end of World War II. The rate of unemployment in the Atlantic provinces and Quebec has remained 50 per cent higher than the national average. Maintaining national as well as regional prosperity in this country imposes upon government the objectives and the scope of regional economic assistance and development policies. They are mainly to distribute all that economic prosperity among each of Canada's regions so as to equalize employment and income opportunities, without at the same time bringing about an unacceptable slowing down in national economic growth. Canada's regional policy created by the central government is aimed at generating new employment and income opportunities where necessary so economic growth can again take place there. The central government must be congratulated for it. However, it should be noted here that that policy must be given national dimensions and allow programs of public involvement to be set up according to the needs of different areas and regions while at the same time taking into account the scope and complexity of the problems of economic and social adaptation in each area as well as certain considerations granted to areas such as the Eastern Townships, which I took as an example because I know it well.

According to a great number of its residents and to the editor of the main newspaper in the area, *La Tribune*, they were not sufficient and adequate to insure effectively the economic changes necessary for its improvement.

I note here open protest supported by a sustained and rather harsh editorial review in the main newspaper of the area on the consideration given to the Eastern Townships as a zone which should receive the amount of aid estimated necessary for refloating its weakening economy. About a week ago, *La Tribune* reported that the estimation of economic needs of the area, which was $20 million, had been approved to the extent of only $6 million, that is approximately 30 per cent of the needs established by the federal and provincial authorities. How is it possible to think that $20 million are needed to spur the economy in this sector and that only a third, that is $6 million, is given for this purpose? Personally, in the light of numerous facts, I believe that the Eastern Townships area, for example, has received too little to ensure an economic balance at an average level, as had primarily been deemed necessary. I think that the method used there, as in many other similar areas, has been and still is harmful to all.

Our areas must be economically strong if we want to justify, in Canada, aid programs for the exportation of manufactured Canadian products coming mostly from the better developed and wealthier provinces.

I say it again, the balance of all these sectors is of major importance.

● (2100)

[*English*]

The economic weakness of five of our ten provinces and the pronounced economic weaknesses of large sectors in some provinces can only contribute toward a disintegration of our national strength. I am not going to expand on that this evening, but I do believe the provinces to be an essential part of a general plan of industrialization and we have to be generous enough to give them economic life.

In studying plans in use elsewhere to establish this equilibrium, I have found that the Canadian master plan

is, in my appreciation, better and more efficient than most. However, it appears to me that the Canadian plan lacked in generosity to help the provinces and the sectors in need. Everywhere it is an established procedure and a standing policy to periodically adjust the discrepancies by timely economic infusions of sufficient working money in sectors where required. Regional development programs and special treatment of designated and special zones above the general federal programs cover the whole of the problems, and that includes the development in the nation of the infrastructure, of the habitat, of the social services as well as the economic productive sectors. Unless, however, the assistance is adequate, little is really accomplished.

In his speech, Senator van Roggen, after an analysis of the possibilities of joining the European Common Market, suggests, if I read him well, that some thought be given to an economic liaison between Canada and the United States and perhaps other North American countries to form a North American Common Market. This approach is not new but, in my estimation, it never has received here the consideration it merited. I believe this can now be developed if studies reveal enough favourable factors to make it attractive to all sides. It offers good possibilities and might become a worthwhile solution to the economic enigma that we now have.

Canada would benefit at this time from a good reciprocal trade treaty. It could be widely operative as are those made between the industrialized countries of the European Common Market. The suggestion made is constructive and should be fully explored. I congratulate Senator van Roggen for his good contribution. I hope the studies lead to its implementation. I believe a North American Common Market would further help our industrialization. It is essential, and its existence must parallel our existing markets and not destroy them. It is certainly worth a deep look and serious study.

Hon. Mr. van Roggen: Honourable senators, may I ask the honourable senator if he would consider substituting the expression "free trade area" for "common market" in the last two or three paragraphs of his speech? I endeavoured in my remarks to draw a very distinct or clear parallel, which may not have been clear enough, between a common market involving Canada and the United States, which I would not support, and a free trade area, which is a very different arrangement. I will not go over my speech, but it is a term often confused in Canada. One of the important points I attempted to make in my speech was the distinction between a free trade area and a common market.

Hon. Mr. Desruisseaux: Thank you, Senator van Roggen. I believe I may have given my own views more than yours in the last few lines. I said that:

> Canada would benefit at this time from a good reciprocal trade treaty. It could be widely operative as are those made between the industrialized countries of the European Common Market. The suggestion made is constructive and should be fully explored.

If you find a discrepancy there, I can correct it but my interpretation was that you were also in favour of a North American Common Market.

Hon. Mr. van Roggen: Thank you. I take your remarks as supporting my suggestion that this matter be explored. I just wanted to make the distinction between a common market and a free trade area.

Hon. Mr. Desruisseaux: Would you like me to clarify this further? I do not think it is necessary, for I believe we all understand the language.

Hon. Mr. van Roggen: No, I think it is clear enough now.

On motion of Senator Lang, debate adjourned.

JUDGES 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-177, to amend the Judges Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

The Senate adjourned until Thursday, May 31, at 2 p.m.

APPENDIX

(*See p. 665.*)

VIETNAM

NOTES FOR STATEMENT IN THE HOUSE OF COMMONS BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, THE HONOURABLE MITCHELL SHARP, ON CANADIAN PARTICIPATION IN THE INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION

Mr. Speaker,

Speaking in the House on March 27 I said that the government had decided to extend Canadian participation in the ICCS until May 31 and that before that date the government would decide whether to remain or to withdraw.

At that time I said (as will be found on page 2630 of *Hansard*) that we would withdraw our contingent by June 30 unless there has been a substantial improvement in the situation or some signs of an imminent political agreement between the two South Vietnamese Parties.

The decision is a serious one and the government so regards it. Canada has a reputation, I believe, for responsibility in international affairs. We have served in more peacekeeping and peace observer roles than any other country and we remain ready to serve wherever we can be effective. We have also in the course of this varied and extensive experience, including 19 years in Indochina, learned something about the conditions that are necessary to success in peacekeeping and peace observer activities.

The House will recall the efforts that the government made to establish conditions which would help to improve the prospects for the successful functioning of the International Commission of Control and Supervision provided for in the Paris Agreement on Viet-Nam. I shall not repeat them now. The record of Canada's approach to the question of participation in the ICCS up to the end of March 1973 is to be found in a White Paper that I shall table at the conclusion of this statement.

Stated briefly, what we sought to ensure was that the new International Commission would be an impartial, fact-finding body, supported by the parties to the peace agreement, with sufficient freedom of access to enable it to ascertain the facts about any alleged breach of the agreement and reporting quickly not only to the parties to the agreement but also to the international community as a whole. While we did not achieve all our purposes, I think it is fair to say that we helped to effect some improvements, at least in form.

What we could not ensure, and what the ICCS could not ensure was peace in Viet-Nam. That depends on the parties to the peace agreement and not on the ICCS. Nor can Canada alone ensure that the ICCS fulfils its function of peace observing and reporting as provided for in the peace agreement. That too depends on the parties to the agreement and on the other member delegations of the commission.

Notwithstanding our hesitations and doubts we accepted membership for a trial period of 60 days. At the end of that first 60 days our hesitations and doubts had been reinforced but we were urged by many countries to show patience. So we agreed to another two-month period which is now coming to an end.

By and large there has been no significant change in the situation that would alter the view we formed at the end of the first 60 days, notwithstanding the strenuous efforts of the Canadian contingent to support the functioning of the International Commission.

Let me repeat that our attitude results from Canadian experience in the old ICSC and the Canadian concept of the functioning of a peace observer body. We are not criticizing the peace agreement. We welcomed that agreement, we regard it as a good agreement that provides as sound and honourable a basis for peace as was negotiable. If the parties will set themselves to applying it, as we hope they may yet do, it can bring lasting peace to Viet-Nam. We hope that the efforts of Dr. Kissinger and Mr. Le Duc Tho to achieve a stricter observance of the agreement will be crowned with success.

We have come to the conclusion, however, that the Canadian concept of the functioning of the International Commission has not been accepted and that it would be in the interest of all concerned if we were now to withdraw. Nor do we believe that Canadian withdrawal would have any significant effect upon the prospects for peace in Viet-Nam. That depends upon the parties to the peace agreement and not upon the ICCS. It is only if the parties are co-operating in a strict observance of the agreement and are willing to use the ICCS as a means of reinforcing the agreement that the commission can perform its function with any hope of success.

Throughout our tenure on the ICCS we have sought above all else to be objective. We have represented none of the contending parties. We have been as insistent in calling for and participating in investigations of alleged violations by the United States and the Republic of Viet-Nam as we have with regard to alleged violations by the Democratic Republic of Viet-Nam and the other South Vietnamese Party. If the RVN or USA have been at fault we have said so. If the other parties were to blame for ceasefire violations we also have said so. I assure the House that we have no need to listen mutely now or later to any charges that we have acted partially; we can be proud of our objectivity in the commission and of our attempts to

see this impartiality as an integral part of commission activities.

I also said in my statement to the House on March 27, that Canada would be prepared to return to Viet-Nam to participate in the international supervision of an election clearly held under the terms of the Paris Agreement and therefore with the concurrence and participation of the two South Vietnamese Parties. It went without saying that our participation would not be necessary if a replacement were found for Canada on the ICCS. I am not convinced that there is much chance that an election will take place as provided for in the agreement, but if it should, (and we would want to examine it carefully to make sure it was this kind of election), and if no replacement had been found for Canada, we would consider sympathetically a request to return temporarily to the ICCS for this purpose, in the light of the circumstances then prevailing and our assessment of the chances for effective supervision.

The peace agreement itself anticipates the replacement of the named members of the ICCS—Canada, Hungary, Indonesia and Poland—or any of them. I have also said that we would be prepared to remain on the commission until June 30 so that a replacement could be found. We have since learned that the discussions which took place recently between Dr. Kissinger and Mr. Le Duc Tho will be resumed in June. We want to give those discussions every chance of success and we would certainly wish to do nothing that would complicate them by introducing what might seem to be too short a deadline for agreeing on a replacement for Canada on the commission.

In recognition of that possible difficulty, we are prepared if the parties to the agreement so wish, to stay for a period beyond June 30 but not later than July 31. Canada's decision to withdraw is firm and definite, but the additional flexibility should give the parties adequate time to find a replacement for the Canadian Delegation. Should a successor be named and be ready to take its place before July 31, we would of course be prepared to hand over our responsibilities at any mutually convenient earlier time. We shall, of course, continue to function as we have been doing during the remaining period of our stay on the commission.

In conclusion, I should like to pay tribute to Ambassador Gauvin, Major-General MacAlpine and all the members of the Canadian Delegation now in Viet-Nam and to their predecessors going back to 1954. Notwithstanding great frustration and serious risks they have carried high the flag of Canada; for some it has cost them their life. Those who now will be returning to Canada can have the satisfaction of knowing that they did all in their power to help in bringing peace to the war-weary people of Viet-Nam. It was our delegation that carried the main burden of organizing the work of the commission and whatever success the commission has had can, in a large measure, be attributed to their professional competence, dedication and energy.

THE SENATE

Thursday, May 31, 1973

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

Prayers.

CLERK'S ACCOUNTS

STATEMENT TABLED PURSUANT TO RULE 112

The Hon. the Speaker informed the Senate that, in accordance with rule 112, the Clerk of the Senate had laid on the Table a detailed statement of his receipts and disbursements for the fiscal year 1972-73.

REFERRED TO COMMITTEE

Hon. Gildas L. Molgat: Honourable senators, I move:

That the Clerk's accounts be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of the terms of reference of the Commission of Inquiry appointed to investigate the entire penitentiary security program of the Quebec region in relation to the Penitentiary Service national security program, together with press release, dated May 16, 1973, relating thereto.

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1972, pursuant to section 13 of the Department of National Health and Welfare Act, chapter N-9, R.S.C., 1970.

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

Copies of text of personal letter from the Foreign Minister of Zambia to the Secretary of State for External Affairs, dated May 28, 1973.

Quinquennial actuarial report on the Regular Forces Death Benefit Account in the Consolidated Revenue Fund as at December 31, 1970, pursuant to section 40 of the Canadian Forces Superannuation Act, chapter C-9, R.S.C., 1970.

Quinquennial actuarial report on the Canadian Forces Superannuation Account in the Consolidated Revenue Fund as at December 31, 1970, pursuant to section 27 of the Canadian Forces Superannuation Act, chapter C-9, R.S.C., 1970.

Extract from the Minutes of meeting of the Standing Senate Committee on Internal Economy, Budgets and Administration held on Thursday, May 31, 1973, covering revised rates of pay of certain classifications of employees of the Senate. (English Text).

PRIVATE BILL

CENTRE AMUSEMENT CO. LIMITED—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 S-6, respecting Centre Amusement Co. Limited, and had directed that the bill be reported without amendment.

THIRD READING

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

Hon. John J. Connolly: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. Mr. Flynn: It won't get royal assent today.

Hon. Mr. Connolly: I intend to say a few words on it.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), it is moved by the Honourable Senator Connolly (Ottawa West), seconded by the Honourable Senator Laing, that this bill be read the third time now.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Connolly: Honourable senators, I just wish to point out that this bill must now be sent to the House of Commons so that if it is at all possible it may be passed there before the end of the month or before the summer recess begins. Since it is desirable, therefore, that it should proceed there as quickly as possible, it seems to me to be a situation where it is appropriate to ask leave to give it third reading now.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY

SUPPLEMENTARY BUDGET OF STANDING SENATE COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs for the proposed expenditures of the said Committee on Legal and Constitutional Affairs with respect to its examination of the Parole

System in Canada, referred by the Senate to the said Committee on Legal and Constitutional Affairs for examination and report on February 5, 1973.

BUDGET OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE 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 National Finance for the proposed expenditures of the said Committee on National Finance with regard to its examination and consideration of such legislation and other matters as may be referred to it, authorized by the Senate on March 15, 1973.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Hervé J. Michaud, Deputy Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill S-5, to amend the Farm Improvement Loans 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. Sparrow moved that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

AGRICULTURE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding Rule 45(1)(i), moved:

> That the names of the Honourable Senators McElman and McGrand be substituted for those of the Honourable Senators McDonald and McNamara on the list of senators serving on the Standing Senate Committee on Agriculture.

He said: Honourable senators, I believe that the Honourable Senator Michaud will explain the plans for the Standing Senate Committee on Agriculture, which will be visiting New Brunswick. Neither Senator McDonald nor Senator McNamara, unfortunately, can travel on this visit and it has been indicated that Senator McElman and Senator McGrand are available. Therefore, the substitution is temporary in order to allow them to attend the Moncton meetings.

Hon. Mr. Flynn: They will feel at home, anyway.

Hon. Hervé J. Michaud: Honourable senators, I am sure that you will be pleased to know that the plans for the committee's study which is to be carried out in Moncton during the week of June 15 are progressing very satisfactorily. The program calls for the committee members to leave Ottawa on Monday afternoon, June 11, and to arrive in Moncton later that day.

[Hon. Mr. Smith.]

• (1410)

The program for June 12 calls for a tour of the area under study, more particularly the County of Kent. That tour will occupy the whole day.

The following two days, June 13 and 14, will be devoted to the hearing of submissions from those interested in the subject matter under study. I am gratified to be able to report that we have been approached by many associations and organizations in the area who are interested in the agricultural industry and, more particularly, in the problems associated with the County of Kent. Such organizations include the Maritime Co-operative Services, L'Institut de Memramcook, NewStart, and associations representing both the French and English-speaking farming communities. I am hopeful that more names will be added to the list.

At the committee meeting on May 22, assurances were received from the Minister of Agriculture and some of his officials that the committee could depend on the co-operation of departmental officials. I am able to report now that word has been received from the provincial Department of Agriculture and Rural Development in Fredericton, New Brunswick, that they will also co-operate in every respect to facilitate our study.

On the strength of that assurance, and in the light of the co-operation and goodwill already demonstrated, I am confident that nothing but beneficial and enlightening results will follow the committee's study in Moncton.

Motion agreed to.

ADJOURNMENT

Hon. Gildas L. Molgat moved, with leave of the Senate and notwithstanding rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday next, June 5, 1973, at 8 o'clock in the evening.

He said: Honourable senators, perhaps I may give the house some idea of the business scheduled for next week. The first item of business will be the second reading of Bill C-177, an act to amend the Judges Act. We will continue with the other items on the Order Paper, and there are speakers wishing to participate in the debate on Senator Croll's inquiry calling the attention of the Senate to the need for Senate reform.

Hon. Mr. Flynn: Now?

Hon. Mr. Molgat: Now. It is expected that the Leader of the Government will proceed with the motion standing in his name respecting the implementation of the Official Languages Act. It is expected that Bill C-133, an act to amend the National Housing Act, will reach us from the other place.

The standing Senate committees, which have been quite active this week, will continue their work next week. National Finance Committee will sit on Wednesday and Thursday to deal with the main estimates for the fiscal year 1973-74. The Banking, Trade and Commerce Committee will meet on Wednesday to give further consideration to Bill S-4, an act to amend the National Parks Act, and to continue its examination of direct foreign investment in Canada. That committee may also sit on Thursday. The Chairman of the Standing Senate Committee on Legal and

Constitutional Affairs, Senator Goldenberg, has given notice that his committee will meet on Thursday to continue its study of the parole system in Canada, and to give consideration to Bill S-7, an act respecting the National Dental Examining Board of Canada.

Motion agreed to.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

The Senate resumed from Thursday, May 24, the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.

Hon. Daniel A. Lang: Honourable senators, it was not too many months ago that I happened to be speaking with one of our colleagues who had been in this chamber for some 20 years, and he was waxing very eloquently with me as to the enthusiasm with respect to Senate reform that imbued him when he first came here. At the same time he was also congratulating himself that, after some 18 to 20 years, he had felt himself instrumental in having the luncheon hour termination moved from three o'clock to two o'clock.

Hon. Mr. Flynn: Thanks to the leader.

Hon. Mr. Lang: I think the credit for that might very well have been shared with the committee, which spent some long meetings deliberating the hours of our luncheons. I merely mention that at the outset to point up that when we come to this question of Senate reform, we come to a very, very difficult and intransigent problem.

Notwithstanding that, we are all grateful to Senator Croll for having raised this matter at this time. The longer Senator Croll is here, the longer I know Senator Croll in this chamber, the more reform-minded I find him becoming.

Hon. Mr. Flynn: He has gone a long way.

Hon. Mr. Lang: It exemplifies the fact that he really represents the eternal well-spring of youth and vigour, so unlike the aging process that I, along with some of my contemporaries, seem to be experiencing.

Hon. Mr. Flynn: Now, now, Senator Lang. You are not looking in the direction of your leader?

Hon. Mr. Lang: Senator Croll is getting younger looking and more reform-minded every day. I do not think I need to remind honourable senators that the Senate of Canada is probably the most unreformed government institution in the Western World. Indeed, our counterpart in the United Kingdom, hoary with antiquity and tradition, has been reformed many times and, according to recent press reports, it does not seem to have lost any of its virility.

Hon. Mr. Flynn: Ho, ho.

Hon. Mr. Lang: Let us all in good heart keep hammering away at this old nut of Senate reform.

On the other side of the coin, I should like to admit that during my almost 10 years now in this chamber, which rather shakes me, there has been a certain softening of the hard-nosed attitude prevalent in years past towards this problem. The self-congratulatory complacency that was very prevalent some years ago is, I am happy to say, evaporating somewhat. May I again say to Senator Croll how grateful we are for his persisting in what may not necessarily be an absolutely immovable situation.

● (1420)

Honourable senators may wonder why I have introduced myself into the debate at this time, and I should like to say a few words by way of explanation. When Senator Croll spoke, he said a few things that had a familiar ring to me so I went back to the debates on this subject in this chamber in 1968 and read some remarks by an eminent authority, namely myself, made on this subject at that time. I therefore thought I should perhaps rise today and charge Senator Croll with plagiarism. On the other hand, I ought perhaps to congratulate him for his becoming more reform-minded.

In doing this elementary research, I was prompted to read further and look at certain of the constitutional events that took place over the last few years, and to re-read some of the debates that took place in this chamber in and around those constitutional events. In all honesty, I can say that in looking at those times in retrospect there emerges a fascinating pattern, and I think it may be well to review it in the perspective of time.

As honourable senators know, this question of Senate reform has been with us since Confederation. It has appeared in different forms, being included in dominion-provincial conferences, sessions, royal commissions, and parliamentary studies far too numerous for me to relate here. In all cases the Senate was an incidental consideration to other broad constitutional issues, and generally speaking the recommendations on Senate reform made by these commissions, parliamentary studies, and so on, came in a package with other reforms that were not accepted, or not implemented, and consequently Senate reform fell by the way with them.

Looking back, however, one finds that the ball did not really start to roll until the year 1967, when John Robarts, then Prime Minister of Ontario, called this "Conference on The Confederation of Tomorrow." That conference was called, as honourable senators will recall, during the psychological high of our Confederation Year, and consequently carried with it a lot of momentum. At the same time, there was abroad in the land a great concern for adjusting our system to suit the aspirations of the province of Quebec, and to attempt to quiet the disquietude that we sensed there.

In the five-year period since that time there have been in Canada no fewer than nine major conferences and sessions on constitutional reform, many of which included in their agenda and their recommendations reform of the Senate and its role in Parliament. Since that time two major constitutional documents vitally affecting the Senate have been presented by the Government. Those were in the 1969 White Paper entitled "Constitution and People of Canada," and the so-called "Victoria Charter" of 1971.

In addition, during the last recent period, the Senate has been dealt with by parliamentary committees on two occasions, and recommendations concerning its future are contained in their reports. In 1972 we had the report of the

Special Joint Committee of the Senate and House of Commons on the Constitution of Canada, co-chaired by Senator Molgat, who did himself and this house great credit in the work performed by that committee. A few years before that time, in 1968, we had the fourth report of the Special Committee of the Senate on the Rules of the Senate, which report went beyond the parameters of its terms of reference and dealt generally with Senate reform outside the scope of the rules governing the Senate. That fourth report and the preceding three reports of the committee were very valuable to us, as they brought forward the rules of the Senate to where they govern our procedures today and brought together for the first time a committee of the Senate to consider the Senate's role. For that exercise and the results that flowed from it, we owe a great debt to Senator Hartland Molson.

Honourable senators, I would like to think for a moment of what has come out of this tremendous exercise, since 1967, as far as the Senate is concerned. In honesty, we have to admit that nothing, absolutely nothing, has come out of it. As far as a great deal of the recommendations put forward are concerned, we can all go down on our knees and say thank goodness for the fact that nothing has eventuated. However, we can be somewhat regretful that some of the recommendations have not come to fruition, and I suppose we will also feel with respect to these items a certain degree of exasperation.

What we must bear in mind is that the apparent immutability of this institution throughout that period is not because of its being held in sacrosanct status by the government or its bureaucracy, or by any parliamentary committee; rather, its apparent immutability has been due to the fact that the reform recommendations have been in every case tied up in a package of other constitutional revisions, which package proved not to be saleable to either the provinces or the federal government or the committees, or to a combination of the federal and provincial governments and those committees. It is certainly not due to any high regard being held for us that our parliamentary role remains unchanged. Rather, we would be wise at this time to lapse not into complacency about our position, but to attempt to learn what we can from these past events.

Honourable senators would agree with me, I think, when I say that I am inclined to dismiss, or at least to treat lightly, the rather ill-informed criticisms of this institution which appear from time to time in the media, or which are heard in the other place, or which are espoused by a certain political party. I say we can treat these things lightly, because in my opinion—and my opinion was, I believe, borne out by the findings of the joint committee—those criticisms are very narrowly shared and arise out of the personal predilections of the authors rather than from any broadly held political viewpoint.

● (1430)

What should not be dismissed lightly by us is what we can learn now from the recent attitudes of the federal government, from its bureaucracy, and from the attitudes of the parliamentary committees towards the Senate; from these perhaps we can ourselves form some sort of consensus. It is from those sources that we can ourselves develop positive responses that reflect the thinking of the committees, parliamentarians and governments who have expressed ideas about our role; and, in so positively responding, we take unto ourselves the primary responsibility for reforming our own institution.

If you will bear with me, honourable senators, I am going to look briefly at the provisions of the White Paper of 1969, first, and then at the Victoria Charter of 1971.

The White Paper, honourable senators will recall, set forth four recommendations with respect to the Senate: First, that our term of office be limited to a certain number of years, subject to renewal; second, that nominations to this body should, as to half from each province, come from the provincial governments; third, that the legislative power of the Senate should be curtailed vis-à-vis the power of the Commons; and, fourth, that the Senate should have conferred upon it the power of approval as to appointments of judges, ambassadors and certain cultural leaders.

Honourable senators, I suggest that if these recommendations had become law and had gone into effect, the independence of this body would have been completely emasculated. It would have been, in its actions, subject to the dictates of the federal and provincial authorities, who would have effected the appointments to this chamber and who would have reserved unto themselves the right to renew those appointments, depending upon good behaviour, approbation or otherwise. The legislative role of this body would have been downgraded and the future demise of the institution, I feel certain, would have been rendered very probable.

However, that White Paper is now history. It failed. It failed because of other considerations than Senate reform, but it did fail in acceptance so far as Senate reform was concerned because it was basically superficial. It was overly simplistic and almost naïve in its understanding of the role of the various components that make up Parliament.

I have often thought that our parliamentary system is like a Chinese puzzle. If you take out one piece or try to adjust it, the other pieces start to fall apart in your hands. The more experience you have with this peculiar institution, the more you will be inclined to agree with that view of it.

Notwithstanding that, I suggest that the White Paper was in fact a frontal assault on the role of the Senate as an integral part of our parliamentary system. If that is so, I can only term the Victoria Charter of 1971 an indirect assault on this chamber or, rather, a sneak attack on its very existence.

In the Victoria Charter itself there was embedded a proposition which, if it became effective, would have made it possible to amend the Constitution of Canada without any regard to the Senate, and by unilateral action in the other place. That sort of situation would, of course, if enacted, remove the Senate completely as an effective power. Undoubtedly, in the long haul it would have meant our disappearance as a parliamentary institution and, very likely, along with us would disappear the institution of the monarchy.

Honourable senators, we all know that the Victoria Charter is history. It was rejected for reasons other than

the propositions which we are dealing with today. I do not think it is really too strong to surmise that the government of that day—and perhaps of this day, although I do not know—was dedicated to making the Senate a subservient instrument—subservient to the executive and subservient to the House of Commons.

Hon. Mr. Flynn: It is the same government that we have today.

Hon. Mr. Lang: But in a somewhat different frame of mind.

Hon. Mr. Flynn: It is more humble, but it is not changed. We have the same government leader in the Senate.

Hon. Mr. Martin: But more humble.

Hon. Mr. Lang: I would like to surmise why this was the case. I can only do as you; I can only surmise. First, I would surmise that perhaps there was some ideological undertone dedicated to changing the Canadian system to something akin to a republic, a system without a Senate and/or without a monarchy. Or perhaps it was just because in some quarters the Senate is regarded as an elitist institution. Or, the thought occurs to me, perhaps the investigative role of this body, being more actively pursued in recent years, particularly as exemplified by the Special Committee of the Senate on Science Policy, has caused some unease in certain bureaucratic quarters. Perhaps the pursuit of that role has ruffled mandarin feathers. I do not think by carrying out that role we have been making friends. In fact, my opinion is that if, in functioning as an investigative body, we did make bureaucratic friends, we would probably not be performing that function adequately. These might be factors; I do not know, but I have my own thesis.

Briefly, my thesis can be summed up in this way: When any one party has an absolute majority in the House of Commons, little stands in the way of vesting absolute power in the executive except the independence of the Senate. To render the Senate subservient in those circumstances, either by threat to office or threat of institutional extinction, would be to cause Parliament to become a mere shadow, and the technocrat would reign supreme.

Honourable senators, from what I have said you will realize that I feel we have come through some pretty narrow squeaks as an institution in the last few years. I do not really know whether we were fully aware of the danger into which, as an institution, the Senate was standing. However, I am not going to let this moment pass without paying tribute to Senator Connolly (Ottawa West) who I find, on looking back through the records, was the one man alert to these dangers as they first appeared, and who stood up in this chamber and told us about them. Perhaps Senator Connolly did not do so in exactly those terms, but he said enough that, had we used our cerebellums, we should have seen what was almost upon us. I feel we owe a great debt of gratitude to Senator Connolly for the reasons I have mentioned.

Honourable senators, I have dwelt perhaps too long on what we might learn from the 1969 White Paper and the 1971 Victoria Charter, but I should like to turn now for just a few moments, if I may, to what we might also garner with benefit from the two parliamentary reports to which I have referred, namely, the Fourth Report of the Special Committee of the Senate on the Rules of the Senate, 1968, and the 1972 report of the Special Joint Committee of the Senate and House of Commons on the Constitution of Canada.

To refresh your memories, I will mention that the rules committee dealt with four matters not connected directly with rules but rather with the role of the Senate. First, it recommended the expansion of the investigatory role of the Senate. Secondly, it recommended that more government bills be introduced here in the first place, including money bills. Thirdly, it recommended abolition of the property requirement for appointment, and abolition of the Quebec structure system. Finally, it dealt with the importance of the independence of senators from blind party affiliation and background, that being paramount to the effective operation of this body.

● (1440)

In that report Senator Molson referred to the importance of the quality of appointments to this chamber. This, if I may digress for a moment, rather reminded me of the situation that arose in Gilbert and Sullivan's *Iolanthe* when a bill was passed in the British House of Commons to open the peerage to competitive examination. It caused horror and consternation in the upper house and one of the lords then said: "I don't want to say a word against brains; I have a great respect for brains; I often wish I had some myself. But with a house of peers composed exclusively of people with intellect, what is to become of the House of Commons?" I just thought that remark rather appropriate.

Honourable senators, I should like now to refer to the recommendations of the joint committee as they affected the Senate. Briefly they were as follows: First, that our institution should have, instead of the present absolute veto power, a suspensive veto for six months; secondly, that the number of senators be increased to 130 to give greater representation to the regions and representation to the territories; thirdly, that our retirement age be reduced to 70 with retention of title and precedence; and, fourthly, that half the senators from each province should be appointed from a provincial panel.

From these recommendations, can we distil any common denominator which would receive, if not complete universal acceptance, at least almost universal acceptance? I suggest that we can. There are some recommendations to which, while they are not definitive, very few of us would take exception. Let me add that here I also have in mind the recommendations made by Senator Croll when he introduced this inquiry.

First of all, I think we could agree that the investigatory role of the Senate could be profitably increased, and this role has, in fact, been evolving over the past number of years. We should all hope to see that role further enhanced, but I suggest that the only practical way of doing that is to be prepared to spend money on the recruiting of permanent research and other staff, responsible to us, and us alone, and employed solely for this purpose. In my view, this should have been done years ago, because the amount of money involved would be completely disproportionate to the energies and abilities such a deployment of staff would release from among the senators.

Secondly, more government bills could certainly be introduced here, including money bills. But I am afraid there is nothing much we as individuals can do about this, because the onus for bringing this about lies squarely on the shoulders of the Leader of the Government, who can only do his best to that end interest. While I recognize that he cannot demand, perhaps he might be able to cajole more.

Hon. Mr. Flynn: You are underestimating his influence.

Hon. Mr. Lang: Neither of these matters require legislative enactment.

Next, I think we could also agree that the government side of this house should not comprise more than two-thirds of the total membership, as suggested by Senator Croll. I suggest that the proportion of one-third for the Opposition is too low. I say this because as we become top-heavy over here our efficiency decreases, our interest decreases, and the excitement normally associated with a good parliament evaporates. If the Opposition is to be effective here, then it must have the necessary depth. To me, the burdens placed on the shoulders of the Leader of the Opposition and his few colleagues are intolerable. They are ridiculous, and tend to make a mockery out of a house which purports to have sides right and left of the Speaker.

Next, I think we can agree that the number of senators could very well be increased to 130. Certainly the territories should have representation and, coming from a central province as I do, I agree that regional areas should have greater representation vis-à-vis the centre of gravity created by Quebec and Ontario.

Next, I think we can also agree that all new senators should retire at 70. Such a provision would bring us into line with the judiciary. I think that the qualifications attached, namely, that title and precedence be retained with the right to attend but not vote, should make this not only desirable as far as the Senate as a body is concerned but, in many cases, a very welcome innovation as far as individual senators are concerned.

Honourable senators, with all of those suggestions I heartily agree, and I doubt if there are many in this chamber who would not do likewise.

I should like to deal with a few more controversial points before I conclude. I cannot accept, and I must almost dismiss out of hand, the proposition put forward by the joint committee that half the members of this house from each province should be selected from a panel nominated provincially. To me, the introduction of such a system would constitute a disaster, and would produce a situation so out of tune with the nature of this institution as to almost destroy it. It would introduce to this chamber partisan loyalties of the wildest kind; it would introduce politics at a highly volatile level that could at times result in the complete blockage of legislation from the other place; it would diminish the federal presence. In fact, honourable senators, such a proposal would, in my view, constitute the kiss of death for the upper house.

As far as the suspensive veto is concerned, I must say that I am in complete accord with that recommendation as put forward by Senator Croll and by the joint committee, subject to the condition that that provision should not apply to any constitutional amendment. If we should permit, as we would have to do, a constitutional amendment to limit our power to a suspensive veto, and if that in turn is not qualified by excepting or excluding further constitutional amendments concerning the Senate, then we would be inviting the end of this chamber. On the other hand, the suspensive veto system would be far more likely to ensure that the Senate exercises its proper legislative role.

● (1450)

Our equal legislative power with the Commons imposes upon us an inhibition simply because we are not an elected body. We become afraid to change one jot or tittle of legislation that presumably has received the approbation of the "representatives of the people," whatever that means, in the other place. I think a modern recognition today of our power to exercise a suspensive veto would remove that inhibition, and we would, as we should, deal far more effectively with legislation as it comes to us from the other place.

Perhaps I have covered everything about which we could gain some unanimity. As to the other recommendations of Senator Croll concerning limitations on the tenure and age of the leaders, the Speaker and chairmen of committees, my reaction is that they could very well be counter-productive. I think we are more than likely to preclude the best use of our talents by such limitations than to promote them. For those reasons I do not feel that I could give my wholehearted support to them.

However, I would like to speak to one other matter with which Senator Croll dealt, because I feel it goes very much to the heart of the essential element that the Senate must retain if it is to be an effective component of Parliament, namely, its independence.

As you recall, Senator Croll recommended that the leader of the Senate and the government representative in the Senate should be two persons rather than one. Senator Croll has some authority for this proposal, and there is one which I reviewed before speaking today. It is an authority in which I place supreme confidence, namely, myself when I spoke on March 11, 1969. I will quote, if I may, my remarks at that time:

> However, I have also long thought that the position of the Leader of the Government in the Senate, when he was also a member of the cabinet, imposed upon the incumbent a dual role of a most onerous nature.

My speech continued:

> —the Senate and the House of Commons Act recognizes that the "approved Leader of the Government" in the Senate may or may not be a member of the Cabinet and provides for payment to him in the event that he is not such a minister. This section, therefore, recognizes the various roles that such a person can play. I think that we must at all times have in this chamber a representative of the Government in the person of a cabinet minister and one charged with the responsibility of getting Government legislation passed here with the responsibility of informing and advising this house on all Government matters and all Government policies.

That man will be chosen by the Prime Minister of our country. His responsibility would be first and foremost to the Government of the day. I think also that in addition we must have another man here, a Leader of the Senate who is not a member of the Government and who is charged with the conduct of the day-to-day business of this body, and he would receive his emolument for so doing under the provisions of the Senate and House of Commons Act. He would be chosen by the Senate here and his primary responsibility would be first and foremost to the interests of the Senate as such.

Now, most times I know these two responsibilities can be discharged in complete constancy, but there will be other times when this will not be the case, and those are the times when one man cannot serve two masters. Upon those occasions, if we only have one leader in a dual capacity, it will be the interests of the Government that must prevail and not the interests of the Senate that will be served.

I suggest, honourable senators, that if the independence of this body is to prevail—and I think that independence is absolutely paramount to the *raison d'être* of our being—then such a reform is desirable and essential.

Honourable senators, I still feel very strongly the same way regarding that proposition.

To bring about such a situation no legislative amendment is required. The Liberal caucus need merely meet, elect a "recognized Leader of the Government in the Senate," advise the government, and that person would receive an additional salary of $10,000 a year under section 42 of the Senate and House of Commons Act. The government representative in the Senate would be unaffected.

Honourable senators, my reasons for feeling that this is a key to the independence of our parliamentary status is based on the thesis that I mentioned briefly to you a few minutes ago. If I might enlarge upon that, I would say that I am convinced that our parliamentary system depends on tensions—I think it is a corny phrase, but it is apt and often used; "creative tensions"—between its various components. It works best when those tensions are as evenly balanced as possible. Our Constitution should and does make it difficult or impossible to eliminate those tensions. That is as it should be, and is the reason for having a Constitution.

Now, what are these main tensions? In my opinion, the main tensions are between the executive and the opposition in the House of Commons, and between the executive and the Senate. How do those two tensions operate? I suggest, honourable senators, that there are two sets of circumstances under which they will operate, and in each case quite differently—first, under a majority government in the House of Commons and, on the other hand, under a minority government.

Let us first consider a minority government, as we have it today. Here the tensions between the executive, on the one hand, and the Opposition in the House of Commons, on the other hand, are high. The Senate's role, I suggest, is concomitantly less important in the production of tension balances. In these circumstances, the independence of the Senate has less paramountcy than under a majority government.

Conversely, the system of tensions under a majority government involves a different set of facts. Under a majority in the House of Commons, and as our party system exists, we can with a fair degree of certainty rely on the constancy of the majority party's members.

I remind honourable senators, referring again to Gilbert and Sullivan, that it was Sergeant Willis, or Private Willis, who sang the famous song:

That every boy and every gal, That's born into the world alive, Is either a little Liberal, Or else a little Conservative!

But he went on to say in the next verse:

When in that house M.P.s divide, If they've a brain and cerebellum too, They've got to leave that brain outside And vote just as the leader tells 'em to.

Based on that eternal proposition, I propound that the tension under a majority government that must exist is not between the executive and the Opposition in the Commons, but between the executive and the Senate, and in those circumstances the independence of this body becomes of absolutely paramount importance.

● (1500)

Honourable senators, perhaps I have dealt for too long with that point, but, in so doing, I hope that I have thrown slightly different light on, or brought into slightly different perspective, our parliamentary institutions, and more particularly the Senate.

In conclusion, I would say that the exercise of self-examination is important. It is particularly important for us to conduct inquiry and, if possible, implement reforms here. I hope that we can accomplish some of them during my tenure. I am always optimistic, although at times not too sanguine.

Hon. Mr. Martin: But you are young.

Hon. Mr. Lang: I was.

Honourable senators, I am not going to hold my breath for reforms, but whatever we can do to help the Senate, and to improve the quality and the amount of service rendered to Canada here, that is our common dedication.

On motion of Senator Molgat, for Senator McIlraith, debate adjourned.

FOREIGN AFFAIRS

MEETINGS OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS AT THE EUROPEAN COMMUNITY, BRUSSELS, BELGIUM—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Grosart calling the attention of the Senate to the meetings of the Standing Senate Committee on Foreign Affairs held at the European Community in Brussels, Belgium, 19th to 23rd March, 1973.—(Honourable Senator Lafond).

Hon. Mr. Lafond: I understand that Senator Sparrow would like to speak at this time. With leave of the Senate, I shall be pleased to yield to him.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Has the Honourable Senator Sparrow leave to speak now instead of the Honourable Senator Lafond?

Hon. Senators: Agreed.

Hon. Herbert O. Sparrow: Honourable senators, first I wish to thank Senator Lafond for allowing me to speak today in his place. The fact that he has done so pleases me very much, because I am sure that if he had spoken there would have been little or nothing left for me to add. Therefore, I appreciate Senator Lafond's waiving his right to speak at this time.

Honourable senators, I wish to say how pleased and proud I was to be a member of the Senate Foreign Affairs Committee that met with European Community officials in Brussels. I felt proud to be among those who are highly knowledgeable and well informed on foreign affairs, having in particular an outstanding knowledge of Canadian and European Community affairs.

If the chairman of that committee, Senator Aird, speaks I am sure he will mention the names of those senators who visited Brussels. However, I too would like at this time to mention them.

I would like the record to show that when referring to the knowledge and expertise of those senators who visited Brussels, I am referring to our chairman, Senator Aird, and Senators Asselin, Belisle, Flynn, Grosart, Lafond, Lapointe, Macnaughton, McElman, van Roggen, and Yuzyk.

I would like also to extend my appreciation—and I am sure I am speaking for all members of the committee—to the members of the committee's staff who went with us to Brussels. I refer to Mr. Peter Dobell, Mr. Eric Innes and Mrs. Carol Seaborn, who jointly made a very busy agenda bearable for us.

I would be remiss if I did not also mention our ambassador to the European Community, Ambassador J. C. Langley, and the embassy staff, who very efficiently put us in contact with knowledgeable people in Brussels who were associated directly with the European Community, as well as with outsiders who were knowledgeable of the Community. Without their efficient assistance, our trip would have been much less successful.

While in Brussels we were able to make our presence known to officials of the European Community. We had a message to give, which I think we delivered in a forceful and forthright manner. Our message was that Canada wished to co-operate with the European Community in many ways, and in any way that would be to our mutual benefit.

Our message was that we wanted friendly relations with the Community and its member states. We stressed to all those with whom we met that we maintain, as we have in the past, close ties with the majority of member countries of the European Community. We explained that their people and ours were one from an ancestral point of view, that a large percentage of those who have settled in Canada—the vast majority, in fact—are those who came to Canada as migrants from countries that are now members of the European Community.

We stressed the fact—and they agreed with us—that good European-Canadian relations were important. It was agreed that there must be an on-going dialogue, that this one trip to Brussels would not be sufficient, that other parliamentary groups and government bodies should visit often with members of the European Community. We were able to discuss openly and honestly our mutual problems. We put forward a strong case for a reduction in external tariff rates, which would be beneficial not only to Canada but also to the European Community.

The Committee knows, as do the government and departmental officials, the importance to us of the European Economic Community. If we as parliamentarians are aware of this importance, if the government is aware of it, then it is also necessary that the citizens of Canada be made aware of the importance of our relationship with the Community.

It is imperative that our industrialists be made aware of the importance of good relations existing between Canada and the Community. It is imperative that the business community, those in the agricultural industry, and, of course, those in the resource industry, know the importance of this fact. Relations between Canada and the European Economic Community are important.

What does the enlarged Community have which is of interest to Canada? First of all, it has a combined population greater than that of the United States, and that of the U.S.S.R. The gross national product of the European Community is in excess of $650 billion, or two-thirds of that of the United States and more than double that of the U.S.S.R.

● (1510)

In the near future, it will be the largest and the fastest-growing importer in the world. It will be growing at a rate about 50 per cent greater than that of the United States. Those countries which are members of the Community, together with those which have special trading arrangements with it, will account for over 45 per cent of total world trade.

The European Community, with its present make-up of nine members, will be Canada's second largest trading partner, with exports in 1972 of $2.468 billion and imports of $2.160 billion. In 1971, 15.2 per cent of our total exports went to countries which now make up the enlarged European Community.

Britain's entry into that Community will affect Canada. There will be important changes in terms of access for Canadian exports to Britain. Canada's exports to Britain in 1972 amounted to $1.32 billion, 55 per cent of which, or $810 million, will retain free entry into the British market. However, 45 per cent, or $670 million, will face more difficult access conditions. The major items facing more difficult access conditions are aluminum, wheat, tobacco, barley, zinc, linerboard and lead. So, it can be seen how important trade with the European Community is, and the damaging effects Britain's entry has, or may have, on Canada.

The Standing Senate Committee on Foreign Affairs will be making a report on Canada's relations with the European Community, as it has done on Canada-Caribbean relations and Canada's relations with the countries of the Pacific Rim. That report, I am sure, will be every bit as well done as the previous two, and should be an important

document for Canada and Canadians in the study of trade and relations with the European Community.

It would be presumptuous of me, as a member of that committee, to talk of the contents of that report, because it will be a combined production of all members of the committee. At such time as all the available facts are in, that report will be presented to the chamber. There are, however, a couple of areas which perhaps should not wait for the final report. Senator Macnaughton, in his address to this chamber a few days ago on this same subject, said that the committee asked for and recommended—and he wants continued recommendations to the European Community in this respect—that the Community set up an office in Canada, notwithstanding that it may be only an information office. I, too, wish to recommend that we continue our negotiations with the European Community with respect to getting an information office in Canada. If there were an office here, our ties would be a little closer, and we could discuss our problems more readily than would be the case if we had to make our comments known in Brussels.

As honourable senators are aware, we do have an ambassador to the European Community. There appears to be no provision whereby the European Community would, in fact, have an ambassador to Canada, but we would at least hope that there could be an information office opened here.

The second point I wish to raise—it is an on-going process, but I believe I would be remiss in not mentioning it today—is that we must continue to co-operate very closely with the United States in working towards multilateral reduction of world trade tariffs. We are faced, or may be faced, with five trading blocs in the world, those five being China, Russia, Japan, the United States and the European Community. If it develops that in fact these trading blocs do come about and, taking it a step further, develop into protective blocs, where, then, does Canada go? Logically, I think the only bloc which Canada could join would be the United States.

However, it is in our interest now to discourage, at any point we can, trading blocs of a restrictive nature. I feel we should have an on-going dialogue with the Americans in an attempt, in co-operation with them, to bring about a general lowering of protective tariffs throughout the world so that at some point in the future we will not have to say, "We are part of a restrictive bloc with the United States."

I do not believe that we want special trading arrangements with the European Community. Canada is an exporting nation and, as such, we are better off being able to trade with any country in the world, or any group of countries, on a free trade basis, and this should be our aim for the future.

The United States is a very good neighbour and friend of ours, but I know that they, in turn, would respect our wishes to be free and able to trade with any nation in the world on an equal basis.

On motion of Senator Lafond, debate adjourned.

● (1520)

COMMUNICATIONS

LAUNCHING OF ANIK II OF TELESAT CANADA—DEBATE CONTINUED

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Grosart calling the attention of the Senate to the launching of Anik II of Telesat Canada at Cape Kennedy, Florida, on Friday, 20th April, 1973.—(Honourable Senator Molgat).

Hon. Paul Martin: Honourable senators, Senator Molgat is not in the chamber at this moment, but he has agreed that I may intervene in his place at this time.

The Hon. the Acting Speaker (Hon. Mr. Deschatelets): Is it agreed, honourable senators, that the Honourable Senator Martin speaks now instead of the Honourable Senator Molgat?

Hon. Senators: Agreed.

Hon. Mr. Martin: Honourable senators, it is not my intention to make any prolonged remarks. I wish to deal briefly with a few of the statements made last week on this matter by Senator Grosart. The question has to do with the launching of the Canadian satellite, Anik II.

I must say that I was pleased to hear what Senator Grosart had to say, and to realize that he had found his recent visit to Cape Kennedy to be a valuable one. This was clearly evident from the comprehensive review that he gave of this remarkable Anik story. Senator Grosart is quite correct when he says that too few Canadians have adequate knowledge of what Telesat Canada has accomplished in its short life span of three and a half years, and I believe that his statement of last week will help considerably in rectifying this situation.

I am not going to comment on each detail of what Senator Grosart said because, by and large, I find that what he said portrayed an accurate picture. There is one item, however, on which I would like to make a special comment. Senator Grosart identified Intelsat as an American corporation which is 18 months behind schedule. I think there has been some confusion here. Intelsat is the International Telecommunication Satellite Organization formed in 1964, which has grown now to comprise some 85 countries around the world. Intelsat has enjoyed outstanding success, due to excellent co-operation on the part of its members, prominent among which is the United States, as represented by the Communication Satellite Corporation of Washington. All of Intelsat's planned satellites have been launched in timely fashion by the National Aeronautics and Space Administration, also of the United States, and these satellites are on every-day operation spanning the oceans of the world.

The delay which Senator Grosart probably had in mind relates to the putting into operation of a United States domestic satellite system, something quite apart altogether from Intelsat. Here the delay has been due, not to technical or financial problems, but rather to the time needed to resolve United States internal policy issues,

such as what and how many companies should be allowed to proceed. I think the Government of Canada deserves to be commended for the expeditious manner in which it has handled the corresponding policy issues here.

During the years following the successful establishment of the Intelsat system for serving the overseas routes, the government became aware that satellite communications might have great potential for Canadian internal use, particularly over some of the longer communication routes, including those to Northern Canada. From the time that this possibility was firmly identified in 1967, less than two years elapsed before the creation of Telesat Canada, a company in which all of the special Canadian interests are or can be represented. Having settled the modalities, it then became the responsibility of the new corporation to expeditiously bring the system into operation, while at the same time giving due attention to Canadian electronic and space resources which had been building up since the beginning of the decade.

I believe that Senator Grosart has adequately described these more recent events, and I wish only to add, without taking anything away from Telesat and its excellent management team, that a great many others, in both industry and government, have played important supporting roles. In fact, if the Telesat development has taught us anything, it is to emphasize the importance of the very broad base of support that is absolutely essential for having a new venture succeed in this very competitive and sensitive high technology field. This support has in many cases verged on financial sacrifice, but it has been given in the interests of achieving a long term goal, and in the belief that this new form of communication will be of vital importance to Canada.

I would be remiss if I did not make some reference to Canadian communication developments generally. When one looks at the collectivity of broadcasting, cable television, telephone, telegraph and special services, together with the transmission modes, such as microwave, undersea cables, satellites, wide band intercity cables, and so on, and the widespread geographic coverage, we cannot help but conclude that this country is a leader in the world of communications. No one should be satisfied with what has been done by marking time, but the point I wish to make is that for the future we have an excellent base on which to build.

Honourable senators, in this house we have more time for the consideration of general and important matters like this. This is one of the vital matters of our contemporary life. Senators who may be interested in this kind of problem would be doing the Senate, and more particularly the country, a great service if they were to take part in this discussion initiated by Senator Grosart. Why? Because I believe this matter is one that deserves full discussion in the Parliament of Canada. If it does not take place in the Senate, there will be little discussion in Parliament. The legislative timetable in the other place does not lend itself to that house engaging its time with this problem. I therefore invite honourable senators who may be concerned about whether we have enough to do, to regard this as an opportunity for productive effort.

Hon. Sidney L. Buckwold: Honourable senators, the challenge has been thrown down by our leader that we should make some comments on the Telesat contribution, and what has been going on in that field. Perhaps the house might be interested in the substantial effect the Telesat organization has had on Canadian industry, and I would now like to pay tribute to Telesat, the executive officers and senior people, for the co-operation they give to Canadian industry.

I speak from some experience. I happen to be a director, unpaid, of a non-profit organization—which is usually the kind of organization in which I get involved as a director—known as the Space Engineering Division of the University of Saskatchewan. The University of Saskatchewan moved into a unique field some years ago, the practical application of the work of those in highly scientific fields. They have developed a highly efficient technology in the field of space engineering, and in so doing have come in contact with Telesat.

● (1530)

By the way, the organization's space engineering division would be, I hope, a forerunner of many kinds of public operation in the technical-industrial field sponsored by the universities. In this particular case, the University of Saskatchewan was the sponsor.

Telesat put out a substantial contract offer and the Space Engineering Division located in Saskatchewan submitted a tender. It was for building a large number of receiving stations. They went to a great deal of trouble. I have to say, with some regret, that we did not get the contract. However, I paid full tribute and expressed my appreciation to the officers of Telesat for the assistance they gave this young organization in encouraging them to bid for the contract, helping them to evaluate the situations, and providing the technical help required. I think some other subcontracts were given by Telesat to the Space Engineering Division.

I draw this to the attention of the Senate to indicate the importance of this splendid organization, headed by Mr. David Golden, who is one of the outstanding executive leaders of the country. This is an organization which has gone out of its way to assist Canadian industry to develop the fledgling Canadian Space Engineering Division. I hope that as the years go by we shall see more and more Canadian participation in the capital program development of Telesat.

On motion of Senator Molgat, debate adjourned.

The Senate adjourned until Tuesday, June 5, 1973, at 8 p.m.

THE SENATE

Tuesday, June 5, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on the operations of the Exchange Fund Account together with the Auditor General's report on the audit of the account, for the year ended December 31, 1972, pursuant to sections 17 and 18(2) of the Currency and Exchange Act, chapter C-39, R.S.C., 1970.

Report of Telesat Canada for the year ended December 31, 1972, including its accounts and financial statements certified by the Auditors, pursuant to section 37 of the Telesat Canada Act, chapter T-4, R.S.C., 1970.

Report to the Textile and Clothing Board, dated May 9, 1973, relative to an inquiry respecting cotton terry towels and towelling, pursuant to section 9 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-71-72.

Copies of documents respecting the Advisory Council on the Status of Women, including the terms of reference of the said council and biographical notes on the members thereof, together with a statement by the Minister of Labour, dated May 31, 1973.

Copies of a document entitled "Review of Government Accounts for the fiscal year 1972-73" issued by the Department of Finance.

Report of Air Canada for the year ended December 31, 1972, pursuant to section 27 of the Air Canada Act, chapter A-11, R.S.C., 1970.

Report of the Canadian National Railways for the year ended December 31, 1972, pursuant to section 40 of the Canadian National Railways Act, chapter C-10, R.S.C., 1970.

ADJOURNMENT

Hon. Gildas L. Molgat: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Thursday, June 7, 1973, at 2 o'clock in the afternoon.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Molgat: Honourable senators, we propose to follow the same practice this week as we did last week in view of the fact that there is substantial material before our committees. The Standing Senate Committee on National Finance will meet tomorrow morning at 9.30 and the intention is that it will sit all day. A number of witnesses are ready to appear. The committee will deal with the estimates which are before us now and in particular with Information Canada and the Department of Industry, Trade and Commerce.

The Standing Senate Committee on Banking, Trade and Commerce will also meet tomorrow morning at 9.30. Bill S-4, an act to amend the National Parks Act, will be considered with officials of the National Parks Branch as witnesses. Several senators indicated during the course of the debate that they would have questions to address to those officials. That committee is also expected to sit all day. Further committees will meet on Thursday.

Motion agreed to.

DISTINGUISHED VISITORS IN GALLERY

MEMBERS OF THE ALBERTA LEGISLATURE

Hon. Jacques Flynn: Honourable senators, I should like to inquire of the Leader of the Government if he has noticed the presence in the gallery of representatives of the Alberta Legislature? I know that the honourable Leader of the Government is always bound by his immediate responsibilities, but he might look upward.

Hon. Paul Martin: Honourable senators, I am very grateful to the Leader of the Opposition for pushing my memory. I had intended later to refer to these distinguished visitors in the gallery. I am grateful to the Leader of the Opposition for encouraging me to do so right away.

The Leader of the Opposition, you yourself, Madam Speaker, and other honourable senators, had the pleasure a few moments ago of welcoming to the Senate a distinguished group of members of the Legislature from the Province of Alberta, which includes former members of the government of that province as well as some distinguished contemporary members of the legislature.

It is a great pleasure and honour for us to have in our midst representatives of the Alberta Legislature. We all belong to the same country. I am sure that the people of Alberta, no less than those in other parts of Canada, are determined to join together in making sure that this country continues, in unity and integrity, to fulfil the lofty purposes of the founders of Confederation.

Hon. Mr. Flynn: Honourable senators, I had the pleasure of being the guest earlier this evening, together with the Leader of the Government and some members of this house and of the other place—including Mr. Stanley Knowles, the member for Winnipeg North Centre, if I am not mistaken, whose political affiliation all of us know very well—at a luscious dinner given by Madam Speaker in honour of members of the Alberta Legislature who visited us today and who are now in the visitors gallery.

I should like to join the Leader of the Government in welcoming them here. The only special remark I wish to

make is that I was told that the Legislature of Alberta now includes 49 Conservatives, 25 Liberals, and one NDP member.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Hays: They don't know any better.

Hon. Mr. Flynn: Senator Hays should be the last one to criticize. After all, it was because of his judgment of the population of Alberta that he now sits in the Senate. He shares with me some of the ill fortunes of fate. I was just thinking that this compositon—

Hon. Mr. Prowse: You have the wrong numbers.

Hon. Mr. Flynn: I should not have forgotten Senator Prowse, who at one time had something to do with the Alberta Legislature and who now joins Senator Hays in the Senate in a more peaceful environment than the Alberta Legislature.

It was very consoling for me to think that there was one place in Canada where the Conservatives or, let us say, the rightists, those who believe in free enterprise and private initiative—

Hon. Mr. Greene: I thought a moment ago you were supporting Stanley Knowles.

Hon. Mr. Flynn: I knew I could get Senator Greene to bite. It is not very often that I succeed in having Senator Greene interject, and I would like to have it mentioned in *Hansard* because it is very interesting. As I was saying, I was pleased to see a fight between two parties both of which believe in private initiative, a fight that wasn't between the left and the right, or those who believe in welfare and those who believe in responsible government and private enterprise.

In the federal Parliament we tend to be too easily swayed by the forces of the left. At present we have, of course, a coalition government. The sooner we get rid of that left-leaning coalition the better. The Alberta electorate faced with the same problems as confront the rest of us did not consider that the solution had to lie in espousing some degree of welfarism. And that is to their credit. They are a wise, sober-minded incisive people, those Albertans. They are hard-working individualists who with some help from nature have made Alberta a wealthy province. Success is nothing to be ashamed of. My only hope is that some day the rest of Canada will see that the prosperity enjoyed by Alberta could be enjoyed by the whole country if only we will redirect our thinking, emulate Albertans and again place a premium on self-reliance, self-respect, and private initiative.

● (2010)

Hon. Mr. Prowse: Honourable senators, I feel it is only fair to the visiting delegates and to the Leader of the Opposition who has just spoken so kindly about everyone, and to save Senator Manning the embarrassment of having to speak for himself, that I should point out, with great regret I may admit, that the Liberals, in fact, have no seats. The Leader of the Opposition said that the Liberals have 24 seats; that second block of seats is held by the Social Credit, not the Liberals.

Hon. Mr. Flynn: I thought I said that. If I said the Liberals, it is only because they are so overwhelmingly powerful here. I apologize if I said that. I hope *Hansard* will correct it.

[Hon. Mr. Flynn.]

Hon. Mr. Manning: Honourable senators, now that Senator Prowse has set the record straight with respect to the breakdown of seats in the Alberta Legislature, I need not comment on it. I do rise to apologize for not being able to attend the dinner in honour of the visiting delegation. My flight was late in arriving in the city and I was unable to get here in time.

I do thank you, Madam Speaker, for the gracious dinner you provided for the delegation this evening. I want to join with the others in saying how pleased I am to see the Alberta delegation here this evening.

AIR CANADA

ROTATING STRIKES BY MACHINISTS—QUESTIONS

Hon. Mr. Cameron: Honourable senators, I have some questions for the Leader of the Government. Before putting them may I associate myself with those who have already spoken in welcoming my friends and neighbours from the province of Alberta, and say how happy we are to have them here under the auspices of the Commonwealth Parliamentary Association.

I apologize to the Leader of the Government for not having given him notice of these questions, and I therefore ask him to take them as notice. My questions are as follows:

1. In view of the fact that the International Association of Machinists have, four times in seven years, disrupted the convenience of the Canadian travelling public by their almost criminal irresponsibility, can the Leader of the Government give any assurance that the government will take the necessary steps to either:

   a) Upgrade the management of Air Canada, which must accept a major share of the responsibility for the large number of strikes in Air Canada in the past five years; or

   b) Initiate steps to ban strikes in the essential services; or

   c) Will the Leader of the Government in the Senate consider calling Air Canada officials before the Standing Senate Committee on Transport and Communications?

2. Has it become government policy to accept a 4-day week in transportation services and, if so, has due recognition been given to the inflationary effect of the same take-home pay for a 4-day week as was the case with a 5-day week?

As I say, I apologize to the leader for not having given him notice of these questions, but he may take them as notice for tomorrow.

Hon. Mr. Martin: I will take the questions as notice.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. Herbert O. Sparrow moved third reading of Bill S-5, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Eric Cook moved the second reading of Bill C-177, to amend the Judges Act.

He said: Honourable senators, this bill is quite simple and straightforward. It will authorize salaries for 18 additional judicial positions in the courts throughout the provinces of Canada. It will also provide for four additional positions and salaries for the Federal Court of Canada.

The Federal Court of Canada requires four additional judges because of the increased work load. This amendment will enable that court to keep up with appeals and applications that will be coming to it from a variety of tribunals.

The bill provides for the appointment and salaries of 18 additional superior and county court judges of the provinces. These positions have been created as a result of recommendations by the various attorneys general of the provinces, and confirmation of the need for these additional positions by the Minister of Justice and Attorney General of Canada.

The bill will amend those provisions of the Judges Act relating to supernumerary positions, which were introduced in the last amendment to the act. It is now proposed to permit judges who have reached the age of 65 years, and who have served for at least 15 years in a superior court of a province, to move into the supernumerary category, and thereby be available at the call of the chief justice of the court to serve as the need arises. A supernumerary judge is no longer called upon to assume a complete load of judicial work.

At the present time, a judge must have reached the age of 70 years and served in a judicial office for 10 years before he can become a supernumerary judge. In view of the younger appointments that are being made to the judiciary, it is appropriate that experienced judges who are younger be permitted to serve as supernumerary judges in order to expedite the administration of justice in the provinces.

It must be recognized that on occasion judges who have reached the age of 65 may find it desirable to remove themselves from the necessity of carrying a full load of work. Under the proposed amendments, however, they will still be available to do a portion of the work as the chief justice of the court may find desirable and suitable.

Another amendment proposed by this bill provides a group of potential judicial salaries that will be available for future positions that may be created by the provinces. The government will be in a position to move expeditiously when it appears that there is need for an additional judicial position, determined as usual by the judgment, in the first instance, of the provincial attorneys general and legislatures. The necessary appointment can be made, and the salary will be provided from this group of potential salaries. This will facilitate the administration of justice in the provinces.

● (2020)

This potential group of salaries is limited in the case of judges appointed to appeal courts to five; in the case of judges appointed to superior courts, other than appeal courts, to ten; and in the case of judges appointed to district and county courts to ten. The provision will expire when that group is exhausted, if not earlier repealed.

This bill is commended to honourable senators for the facilitation of the administration of justice throughout Canada. If it should receive second reading, I will move that it be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Flynn: Honourable senators, I move the adjournment of this debate. I have a few questions to put to the sponsor of the bill, but I might as well put them to him privately, so that he can answer tomorrow or the day after.

On motion of Senator Flynn, debate adjourned.

OFFICIAL LANGUAGES

PRINCIPLES RESPECTING EMPLOYMENT IN THE PUBLIC SERVICE—DEBATE ADJOURNED

Hon. Paul Martin moved, pursuant to notice:

That this House,

(i) aware that, as provided in the Official Languages Act, the English and French languages possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada;

cognizant that it is the duty of departments and agencies of the Government of Canada to ensure, in accordance with that Act, that members of the public can obtain available services from and communicate with them in both official languages; while

recognizing that public servants should, as a general proposition and subject to the requirements of the Official Languages Act respecting the provision of services to the public, be able to carry out their duties in the Public Service of Canada in the official language of their choice;

do hereby recognize and approve the following Principles for achieving the foregoing:

(1) that positions which are seen, under present circumstances, as requiring the knowledge and use of both the French and English languages will be first identified, and then designated, as bilingual in the course of the period ending December 31, 1978;

(2) that positions will also be identified where English is an essential requirement of the job, where French is essential, or whether either French or English may be used;

(3) that a knowledge of English and French is one of the elements of merit in the selection of candidates for bilingual positions;

(4) that competitions for bilingual positions will be open both to bilingual candidates and unilingual candidates who have formally indicated their willigness to become bilingual;

(5) that competitions for unilingual positions will continue to be open to unilingual or bilingual candidates who met the language requirements of the job;

(6) that unilingual incumbents of bilingual positions may elect to become bilingual and undertake

language training, or transfer to another job having the same salary maximum, or, if they were to decline such a transfer, to remain in their positions even though the posts have been designated as bilingual;

(7) that employees who, as of April 6, 1966, had at least ten years of continuous service and who, since that date, have been employed continuously in the federal Public Service, will be entitled to apply for any job that has been identified for future designation as bilingual without having to indicate their willingness to become bilingual;

(8) that unilingual French-speaking and English-speaking persons from outside the Public Service who are willing to become bilingual may apply for bilingual positions open to public competition;

(9) that language training, at public expense, will be provided to unilingual public servants as well as to persons who are appointed to the Public Service to bilingual positions;

do further approve the Government of Canada, and, in particular, the Treasury Board and the Public Service Commission, taking the measures required to give effect to the aforementioned Principles; and

(ii) do further approve the taking of measures, after consultation with employee representatives, designed to produce a greater use of the French language at all levels in the Public Service, through increasing, where practical, the number of French Language Units, through further recruitment efforts by the Public Service Commission, through training programs offered in the French language and by developing proposals, in conjunction with the Governments of the Provinces of Ontario and Quebec, to enhance the bilingual character of the National Capital region, thus helping to realize the objective of achieving, within the merit principle, full participation in the Public Service by members of both the anglophone and the francophone communities.

He said: Honourable senators, the motion before us seeks to guarantee within the Public Service of Canada the language rights of Canadians who constituted the two founding groups at the time of Confederation.

Ernest Renan, the nineteenth century French historian and philosopher, once defined the word "nation" as a concept derived from the collective memory of a people who, having done great things, remained united in that memory in order to do yet more of them in the future.

The tenets implicit in M. Renan's definition of nation building are great deeds performed and the memory of them. Our own efforts in Canada at nation building are young in comparison with those of the European countries from which we derive our political heritage; but while we have few historical monuments, happily we have neither historic graveyards nor as many ghosts with which we must live. It has not been through the fires of national wars that we have fashioned our nation, but through the vision of what might be accomplished by parliamentary processes in which all Canadians, regardless of political affiliation, have played their parts.

[Hon. Mr. Martin.]

[*Translation*]

We, Canadians, have our share of brilliant deeds or glorious commemorations. Confederation, the centennial of which we celebrated barely six years ago, is one of the great political events of the 19th Century. It ended in the unification of half a continent.

In 1872 Canada presented its first legislation on social measures. It was the beginning of one of the best legislative programs in the social field.

The Statute of Westminster is another sensational event in our history. That statute made Canada's relations with Great Britain diplomatic, not constitutional.

There is our national flag, born from this nation. There are also, honourable senators, many other landmarks in the history of Canada to which I could point, but can you imagine what Canada would be today without Confederation, without those bills to which I referred?

[*English*]

As we begin our discussion of this matter in this house, I feel that we have been inspired by the leaders of our political parties in the other place—the Prime Minister, the Leader of the Opposition and the leader of the next largest group—in what they have said about the relation of this matter to the preservation of Canadian unity. All three of them, in my view, have given us a model of appreciation of the importance of the matter before us.

Leaving aside all other parliamentary legislation, we all know that yesterday, just as today, each one of those events which I have mentioned has been preceded by much confrontation—parliamentary confrontation. But once passed into legislation they have been accepted, and this is the very heart of democracy.

Long before the dictum that each generation must rededicate itself to the struggle for political existence, each generation of Canadians has understood that it must dedicate itself to building the nation anew upon the work of its predecessor.

The vision which the historian Arthur Lower saw, the vision of which he wrote, was that every generation of Canadians must renew its political existence. "Canada," he wrote, "has been created because there has existed within the hearts of its people a determination to build . . . an enduring home. Canada is a supreme act of faith."

[*Translation*]

From the idea of a federal government to the flag, symbol of Canadian unity, the intent of those bills was to provide benefits for all Canadians. However, contrary to our desires, all Canadians have not fully participated in the administration of our country, they have not participated as they would have wished. Honourable senators, I speak about those Canadians whose mother tongue is French.

[*English*]

On April 6, 1966, Prime Minister Pearson bared this problem when he said, "In a federal state such as Canada,

it is important that all citizens should have a fair and equal opportunity to participate in the national administration and to identify themselves with, and feel at home in, their own national capital."

Honourable senators, what could be more reasonable?

In 1969 we added another of those stones to this young nation's foundation. We were all parties to the reworking of Canada's political existence. It was with a sense of participation in the history of our country and its future that we passed the Official Languages Act on July 9, 1969, in this house after it had been first proposed in the other place.

In section 2 that act declares:

> The English and French languages are the official languages of Canada for all purposes of the Parliament and Government of Canada, and possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada.

● (2030)

But the Right Honourable the Prime Minister, Mr. Pearson, in pronouncing his speech in 1966 did not stop with the mere expression of his desire that both anglophones and francophones should be welcome in their national capital—should be welcome to participate in the national government. Far from it. He charted, in addition, a course of expectations, and in doing so he did not forget, as we do not forget today, the other groups who compose the Canadian family and about which I shall say something later. But, as I have said, honourable senators, he charted a course of expectations: that it would become the practice for communication within the Public Service to be carried on in either French or English; that it would become the practice for the Public Service to communicate with the population whom they serve in one or the other official languages; that recruitment of future civil servants would reflect the linguistic character and the linguistic values of both English- and French-speaking Canadians; and that the Public Service of both language groups would work together towards common goals, each using its own language, each understanding and appreciating the other.

Of 22 million Canadians, 4 million are bilingual and 18 million are not. Approximately 80 per cent of English-speaking Canadians speak no French, while approximately 70 per cent of French-speaking Canadians speak no English. It is for this reason that the Public Service, and I draw your attention to the fact that it is the Public Service of which we are speaking, a Public Service which serves all Canada, must be able to do so in both English and French. This does not mean, however, that anyone will be compelled within the Public Service or elsewhere to learn another language.

The government seeks to face this problem realistically, and guarantees equal opportunity to both official linguistic communities within the Public Service.

Honourable senators, it is certainly not my intention, nor is it the intention of the government, to neglect or to avoid discussion of the contribution made to Canadian life by those whose mother tongue is other than English or French. Continued infusions of many cultures into the fabric of our society add immeasurably to our nation's enrichment. In implementing a policy of multiculturalism in 1971, the Prime Minister affirmed his belief, and that of his government, in a policy within a bilingual framework, "as the most suitable means for assuring the cultural freedom of Canadians." And from this flows the concept that Canada is no melting-pot nation, rather it is a nation that seeks to build itself along the lines of the mosaic. The government, he stressed, "will support and encourage the various cultures and ethnic groups that give structure and vitality to our society."

The motion before the Senate sets out the principles underlying the government's plan respecting the official language requirements for the Public Service. It is in two parts.

The implementation of the first part of this motion will permit all Canadians to communicate with the Public Service in either official language. The benefit of the second section of this motion is quite easily seen, for, in addition to what I have already said, it will enable public servants, whether English or French-speaking, to use the official language of their choice when communicating within the federal Public Service.

Just as it is the right of each Canadian to be served by public servants in one or the other language, those who work within the Public Service should have equal rights and be able to choose to work in either of the two official languages. As the President of the Treasury Board said so aptly last Friday: "A Public Service for all Canadians whether they are members of the public or public servants." That phrase epitomizes the intent of this motion, and its passage gives us the opportunity of adding once again to the foundations of unity in this country.

The government has often elaborated upon the bilingual policy outlined in the Official Languages Act with regard to the Public Service.

In 1970, the Prime Minister, in his report on the Royal Commission on Bilingualism and Biculturalism, stressed the quality of opportunity for both English- and French-speaking Canadians.

In 1971 the government announced basic language goals for the Public Service in "Management Objectives for Bilingualism in the Public Service."

In 1972 the government issued the statement entitled "Bilingualism in the Public Service of Canada."

In all of these aforementioned, the government has demonstrated its intention to assure equality of service and opportunity to Canadians of both official language groups. More particularly in "Bilingualism in the Public Service of Canada," however, it has delineated nine principles that will guide departments and agencies of the Public Service in implementing a bilingual policy. Principles 1 and 2 of this statement seek to identify the language of all positions within the Public Service. Principles 3, 4 and 5 relate to the procedures for staffing these positions, while the last four cover the right of individuals within these positions.

It is these nine principles, identified last December, which underlie and form the body of the present motion which I have presented to this house. It is through the implementation of these principles that all Canadians will

be assured of communicating with and taking a part in the federal government of this country.

However, honourable senators, there has been justified concern expressed by public servants to the effect that they would all have to become bilingual. This misunderstanding arose because government aims, it is said, had not been adequately clarified. The government's language policy does not seek the increased use of English or French at all levels of the Public Service throughout Canada, but what it does seek is a functionally bilingual Public Service in those areas where both languages are commonly spoken:

A. The National Capital Region

B. Montreal and area

C. Other areas of the Province of Quebec

D. Areas of the Province of Ontario, and

E. Areas of the Province of New Brunswick.

[*Translation*]

For this purpose and to guarantee the use of French in the Public Service, where this can be applied, the government intends

to increase the number of French language units in the Public Service;

to recruit more staff through the Public Service Commission in the French-speaking areas of Canada;

to offer French-speaking Canadians career training and administration courses in their language; and, finally, to work more closely with the provinces of Quebec and Ontario, in order to promote a greater use of the two official languages in the national capital area.

When those measures are enacted, there is no doubt that the Public Service will be more attractive to francophones, and that the two linguistic groups will be able to participate fully in the administration of our country's business.

● (2030)

[*English*]

I wish to point out before I proceed any further, however, that no person within the Public Service will be compelled under these new initiatives to become bilingual; on the contrary, those who wish to remain unilingual may do so. On the other hand, it is our hope that the opportunities to study the second official language will be such as to commend themselves not only to the public servants but to all Canadians.

While I am discussing the matter of specifics, there are two dates for the realization of this program which have often been mentioned—1975 and 1978. The 1975 date refers to the number of people it was hoped would be bilingual by that date, regardless of whether their position within the Public Service demanded it. And 1978 refers to the year by which the number of positions that are to be designated bilingual will have been so designated.

The fixed objective of the former date, 1975, however, has not been entirely successful. After two years of studying the results of the bilingual program in the Public Service, it has been seen that the development of bilingual skills in individuals does not necessarily lead to a functionally bilingual Public Service.

A more effective approach therefore, has had to be developed. It is now the intention of the government to identify those positions requiring a knowledge of both official languages, beginning at the end of this year. The formal designation of these core positions as "bilingual" will follow 15 months later, and be in effect as of 1975. The completion of the process of "identification-designation" will be in 1978. Following this date, all positions in the Public Service will be identified as follows: Bilingual; French essential; English essential; and optional use of French or English.

These measures are, of course, being taken with due regard for the employees of the Public Service. Each public servant will be given at least 15 months warning of the "designation" of his or her position and, if that position is held by a unilingual, he or she will be encouraged to take up to 12 months of language training at public expense.

Hon. Lionel Choquette: May I ask a question? Are you innocent or naïve enough to think that if those persons are not qualified as bilingual they will become fluent in French or English after an immersion course of even 12 or 15 months? Are you naïve enough to think that?

Hon. Mr. Martin: That depends.

Hon. Mr. Choquette: Well, what is all this about?

Hon. Mr. Martin: If you will allow me, I will continue. I do think that a large number of Canadians in the Public Service will be successful. If they cannot achieve success, they will be assisted by the provisions laid down.

[*Translation*]

In view of the fact that appointments to bilingual positions could discriminate against those who are unilingual—and this includes those who are presently employed in the Public Service as well as those who will apply for a job in the future—we must take the necessary measures to eliminate this hazard. Some positions have been classified as bilingual, but unilingual people will be allowed to take part in the open competitions held for candidates to these positions, on condition that they accept to take a one-year language course in an effort to become bilingual. As I have already mentioned, some positions presently held by unilingual civil servants are likely to be reclassified as bilingual positions. In that case, the incumbent will not only be advised at least 15 months in advance, but he will have, should he so desire, the possibility to apply for a transfer to another position with the same maximum salary, or to remain in his position.

Hon. Mr. Flynn: So, everything considered, there will be no change?

Hon. Mr. Martin: No, but it is necessary to insist on this fact.

However, should this occur, the necessary measures will be taken to ascertain that the incumbent meets the required linguistic standards.

Hon. Mr. Flynn: There will not be any—this is what you are saying.

Hon. Mr. Martin: No; this will depend on the individual.

Hon. Mr. Flynn: You say that he will be free to take the course—

Hon. Mr. Martin: Yes, that is correct.

Hon. Mr. Flynn: You say that he will be free to take the course and learn French. However, if he decides not to take the course, not to learn French, he will be offered another position with the same salary and the same responsibilities. What is that going to change?

Hon. Mr. Martin: We will see what that is going to change.

[*English*]

A further measure of protection has been introduced for those who have worked continuously in the Public Service since 1956, although they may be unilingual and may wish to remain so. These persons will be entitled to apply for positions which will in the future be designated as bilingual without having to indicate their willingness to undergo language training.

My honourable friend puts his hands up, but that is, in my opinion, fair if we wish to adhere to the principles which I believe are inherent in the statement of nine principles, which I think will commend themselves to my honourable friend when he has examined them.

[*Translation*]

Hon. Mr. Flynn: What I want to know is this: What is new in all this?

Hon. Mr. Martin: Yes, but there are a lot of people who did not think that that was the situation. What that resolution brings, besides other consequences, is a clarification of other situations we talked about here in the Senate and in the House of Commons two and half years ago . . .

Hon. Mr. Flynn: Four years ago.

Hon. Mr. Martin: Yes, you are right, I am sorry.

[*English*]

Moreover, for those who may wish to join the Public Service in the future, but may not have the necessary language skills for a bilingual position, the government is prepared to offer those candidates all the facilities of language training at public expense.

We trust that these provisions will preclude the possibility of any public servant being penalized by the implementation of the government's procedures toward bilingualism in the Public Service.

The policy outlined by the government in the past, as well as the present policy, has been given, I am happy to say—and this is very important—substantial support by the various staff associations of the Public Service through the National Joint Council. This is particularly significant since this motion underlines the importance which the government attaches to the duty of its departments and agencies to carry out the policy and serve the Canadian public in both English and French.

This plan is designed to ensure that those who speak only one of the official languages—about 80 per cent of all Canadians—will be able to work effectively in either English or French and will be able to communicate with and receive services from the government in their own language.

[*Translation*]

The Government holds as a basic principle to allow public servants to work in the language of their choice. In the Public Service of Canada, there must be equality of opportunity for English- and French-speaking Canadians. Consequently, it is in order to attain this objective, while allowing unilingual persons to work in their own language, that it is necessary to designate a certain number of positions as bilingual. In practice that means that employees of common services, those who hold supervisory positions, and those who serve the public, will be bilingual. It is thought that only 25,000 positions out of a total of 100,000 in the areas directly concerned will be occupied by bilingual public servants.

Hon. Mr. Flynn: How many in Ottawa?

Hon. Mr. Martin: I cannot tell you the number there will be in Ottawa, but I could give you the figures later. I do not have them now.

● (2050)

[*English*]

The motion before this house is greater than its two printed parts. Its purpose is to give meaning to both English- and French-speaking elements of Canadian society, both of which seek to serve this nation and be served by it. Is this too much to ask, too high a price to pay for nationhood? I think not. What is required of us now is that we confirm our faith in those who established this nation by endorsing the principles embodied in the motion and building upon that foundation to assure all Canadians continuing opportunity to participate in the destiny of this country.

In my opening remarks I referred to Renan's criteria for nation building. It is my hope that the steps we are taking today will be recorded in the common memory of future generations as having been a contribution to the binding principles of Confederation. When that time arrives there will be, for this land, a future "no less enduring for the slow and bitter travail of its birth."

On motion of Senator Flynn, debate adjourned.

EDUCATION

FEDERAL SUPPORT FOR POST-SECONDARY EDUCATION—DEBATE CONTINUED

The Senate resumed from Thursday, May 17, the adjourned debate on the inquiry of Senator Hicks, calling the attention of the Senate to the importance of federal government support for post-secondary education in Canada and the relations between the Government of Canada and the governments of the provinces concerning the universities of Canada.

Hon. Frederick William Rowe: Honourable senators, this inquiry was proposed in this chamber in February last. The fact that it is still on the Order Paper should not be interpreted as indicating that honourable senators are not deeply concerned about this matter. It is a continuing national problem. It is an important question concerning the role that respective provinces must play in providing education. A more important question, which is now emerging, is the role that the central government should

play in providing education for Canadians. Every honourable senator is interested in this subject. It is not something that is going to be settled, either in this chamber or in the other place, overnight or within the foreseeable future. It is something that should be under constant scrutiny and debate.

I am sure that all honourable senators were pleased that the inquiry was introduced by a very distinguished Canadian, a man outstanding in many fields of endeavour, a distinguished Nova Scotian, one who has served his province in the political field and in other areas, and who today is continuing to serve as head of one of our Canadian universities. I stress the word "Canadian," because if any university in Canada deserves to be called a Canadian university, it is Dalhousie University. I will refer to that later.

I was very happy to see that my old friend—I might almost say my old mentor—the Leader of the Government in the Senate, Senator Martin, has been a principal speaker in this debate. Senator Martin is, of course, a distinguished public figure, one who in many respects is perhaps the most distinguished and certainly the most experienced public figure in Canada today. He has served Canada as a lawyer and scholar. It is no derogation of the contribution made by other distinguished men in the field of national health and welfare when I say that in all probability history will show Senator Martin to be the greatest Minister of National Health and Welfare that Canada has had.

Hon. Senators: Hear, hear.

Hon. Mr. Rowe: I say that deliberately because it has a bearing on what I wish to say further. Senator Martin, in that particular portfolio, had more experience than any other single Canadian in negotiating agreements between the provinces and the central government. It would be no exaggeration to say that in the late 1940s and early 1950s—a period in Newfoundland's history of which I have personal knowledge—he pioneered in devising formulae, and in making arrangements, whereby Ottawa could come to the help of the various provinces, particularly the more disadvantaged provinces, of which Newfoundland was perhaps the most disadvantaged during that period. In those early days we had good reason to know and to appreciate fully the contribution made by the then Minister of National Health and Welfare. It was a very difficult and complicated undertaking. We all know that our Constitution is over 100 years old. Much of it was devised in the 1860s. At that time no one, no matter how brilliant, no statesman or public figure, could anticipate what would be the needs of Canada 100 years later.

We have a very good example. I think Senator Martin referred to it, as also did Senator Hicks. In the 1860s the constituent parts of Canada made a very small contribution toward education at any level and practically no contribution at what we now call the post-secondary level, or what I prefer to call the higher education level. No one anticipated that. No one could foresee that the single greatest area of public expenditure in 1965 would be in education. That is a fact that has emerged over the years and is with us today. The single greatest area of expenditure, the single greatest demand that the provinces have today, without exception, from Newfoundland to British Columbia, is in education.

● (2100)

No one could foresee, for that matter, in the 1860s that such matters as social welfare, health, transportation, and so on, which were responsibilities delegated to the provinces at that time, would be the greatest areas of expenditure 100 years later. Had the Fathers of Confederation been able to foresee in 1865 that this situation was going to develop, surely they would have had second thoughts about delegating such responsibilities to the provinces. Surely it would have been obvious to them that the provinces, in themselves, could not shoulder such responsibilities.

It is a remarkable coincidence that those things which were delegated to the provinces are, today, precisely the ones which are requiring the greatest expenditures. The Constitution laid down some general principles, as constitutions must do, and while it did delegate certain specific items to the provinces and other specific items to the central government, it did try to lay down some general directions. The late Right Honourable Lester B. Pearson, when he was Prime Minister of Canada, made mention of this at the Conference on Education in 1966, and Senator Martin referred to Mr. Pearson's speech in his address on this subject the other day.

Let me interject at this point to say that Canada has been extremely fortunate, from my experience in these matters, which dates back to 1949, in that the heads of the federal government, our Prime Ministers, have all been large-minded men. They have all been Canadians who did not seek to hide behind a narrow, literal interpretation of the Constitution. They were Canadians. This was true without exception. Louis St. Laurent, Lester Pearson, John Diefenbaker, and our present Prime Minister, the Right Honourable Pierre Elliott Trudeau, have all, without exception, accepted the principle that no matter what the letter of the law might state there is a moral obligation on the part of the central government to help the cause of education in every part of Canada. We have been most fortunate in having leaders of that calibre over the past 25 years.

As I said, the Constitution did lay down some general principles. Again, if I may refer to Senator Martin's address on this subject, he pointed out, as did Mr. Pearson in 1966, and others before and since, that there is an obligation on the part of the federal government to provide for the general good of Canada. As Mr. Pearson said, if the federal government is responsible for aiding employment, if the federal government is responsible for the general development of Canada, then it has to be concerned with education, regardless of what the Constitution might specifically say on that matter.

I want to say, too, that in my view there are no villains in the history of federal-provincial discussions with respect to education. I do not think there are only good men and bad men. I am not going to pretend that I do. However, if I were asked to give an opinion on that, I would say this: If there is any blame to be attached, then there is more blame to be attached to the provinces of Canada in this regard than to the central government, and I say that without any political bias or partisanship.

Coming back again to these general principles, the Constitution says, both directly and by implication, the Government of Canada is responsible for the general good of Canada, and I think that is implicit in the Constitution. It is a basic assumption of the Constitution that if the federation is to be successful in the long run, there cannot be arbitrary divisions drawn up or, as we used to call them in university, lines of dichotomy, where on one side it is purely federal responsibility and on the other it is purely provincial responsibility, and there cannot be any overlap. How often have we heard, "Oh, no, the Constitution says education is the prerogative of the provinces; therefore, Ottawa, just keep to one side; don't interfere; don't stick your nose into that area."

Hon. Mr. Flynn: May I ask if that works both ways?

Hon. Mr. Rowe: Yes, of course it works both ways. As I said a moment ago, I should not like to leave the impression that there are any villains in this matter. We have all made mistakes. The provinces have made mistakes in this regard, as has the federal government.

Hon. Mr. Flynn: What about cablevision? It seems to me that the Minister of Communications considers that there is a very strict limitation as between federal and provincial responsibilities concerning cablevision.

Hon. Mr. Rowe: I am sure my honourable colleague does not expect me to go into a dissertation on that tonight. I should be glad to comment on it at a more appropriate time.

In my view, if the federation is to be successful, then the basic assumption must be that you cannot have arbitrary lines. You cannot have the bed of Procrustes that the Greeks talked about, a bed which the victim was made to fit. "If he is too long, then lop off his legs; if he is too short, stretch him out and make him fit."

Hon. Mr. Flynn: I must say, your example is very tempting.

Hon. Mr. Rowe: I think it was Anatole France who once said—and I am sure Senator O'Leary will remember this—speaking of the majestic impartiality—I think he used to word "equality"—of the laws of France, that in their majestic equality they forbade the millionaires and the beggars alike to sleep under the bridges of Paris. That kind of constitution was never intended by the Fathers of Confederation, and I do not think we do a service to our interpretation of the Constitution if we try to pretend that it is like the bed of Procrustes, that it is something where there are lines of dichotomy, where no provincial agency or body, or government can go over that line, and vice versa.

During the period from 1949 up until a year or so ago, I held eight portfolios at the provincial level. This brought me in contact with Ottawa repeatedly, and I attended, I think without exception, every federal-provincial conference that was held in that period. I know something of the terrific struggle there was to try to devise formulae to reconcile diverse opinions and to effect a compromise whereby Ottawa could give assistance to the provinces.

● (2110)

I am sure I will not be too popular in some quarters when I say that over and over again, in my judgment, it was more the fault of the provinces than the federal government that more was not done in the field of education by the central government. Every time Ottawa made some suggestion or some offer there was a tendency—I am not thinking of any one province—on the part of the provinces to open the horse's mouth and inspect it very carefully, to scrutinize it—to look the gift horse right in the mouth to see what was in there. This was a deterrent, without any doubt. There were times when suggestions made by the federal government at conferences and at private negotiations were rebuffed by the provincial parties concerned, and as a result nothing was done, or not so much was done as could have been done and should have been done at that time.

A moment ago I spoke of my experience in this field, and I recall a very good example. In 1949-50, when Newfoundland first became a province of Canada, my first concern was in the field of welfare. Although I was a professional educator, my first interest was in the field of welfare at the political level, and it was at that time that I had fairly intimate contacts with the gentleman who is now the Leader of the Government in the Senate, and with his deputy minister, a distinguished Canadian, Dr. George Davidson, whose title at that time was, I think, Deputy Minister of Welfare.

In Labrador we had a native Indian population; it was not very large, but it was there. We also had a native Eskimo population. They were part of the province. They enjoyed provincial rights the same as everybody else, but they were occupying a difficult part of the province, Northern Labrador. They were scattered and had very special health and education problems. We were not in a position to cope with those problems at the provincial level. I came to Ottawa, with others of our government, and we met with the then minister and others. Ottawa could have said to us at that time, "Look, this is your responsibility. Under the terms of Union your Eskimo and Indian populations are not a federal responsibility, as they are in some other parts of Canada." But Ottawa did not say that, and as a result of those meetings we were able to work out a program that enabled us in Newfoundland to give public services and opportunities to our Indian and Eskimo populations that were as good as any being given in any part of Canada.

That is a good example of what can be done when there is good will, when the Constitution is interpreted in terms of the spirit and not in terms of the letter.

I also remember when I was in what we called the Department of Resources at that time, which included agriculture. I came to Ottawa when we were trying to stimulate some agricultural activity in Newfoundland, which is a pretty difficult thing, for obvious reasons. I remember meeting at that time the Honourable Mr. Gardiner, then Minister of Agriculture, a very famous Canadian. Here again, the problem I presented was distinctly, and without any shadow of doubt, a provincial responsibility. But he did not say to me, "I am sorry young man"—at that time I was reasonably young—"this is your responsibility. Go home. Don't bother me." We sat down together and were able, over a period of weeks and months, to work out a formula whereby Ottawa could assist us with this specific problem.

Even better known is the Trans-Canada Highway program. That was a splendid example of where the Constitution was interpreted in a generous and liberal manner for the good of Canada, although it could have been argued that roads were specifically a provincial responsibility.

The same thing applied when the Right Honourable John Diefenbaker was heading the administration which brought in the roads-to-resources program. This was a device designed to overcome that dichotomy between federal and provincial responsibility, and it was a very successful one.

Both the Trans-Canada Highway program and the roads-to-resources program had two basic defects. I do not want to be accused of ingratitude, but we have to recognize what those defects were, because they have a direct application to the problem of education today.

While I am on the subject, I could cite one or two other programs in which there was good will and intelligence, and where those two factors were brought together it was possible to bring into being programs whereby Ottawa was able to help the provinces, notably in solving the vocational and technical school problem. In the fifties and sixties there was a great need for vocational and technical schools, and for most provinces it was a task beyond their capacity and ability. Under the Constitution it was a provincial responsibility, but again with good will and intelligence a program was devised whereby Ottawa could help the provinces to build vocational and technical schools. I do not want to belabour this, but the same thing applied to the FRED program, and more recently to the DREE program.

I said there were two weaknesses. I referred earlier to this business of prohibiting both the millionaire and the beggar from sleeping under the bridges of Paris. There has been a tendency to do that in the history of federal-provincial relations. A good example was the Trans-Canada Highway. I again sound a personal note, and I do not apologize for it. One of the benefits of having had experience is that one can use it.

In the Trans-Canada Highway program the government said to the provinces, "We believe that a national highway is necessary. We think that under the Constitution it is the duty of the Government of Canada to help in providing such a highway. It can be argued in a narrow sense that it is the responsibility of individual provinces, but we are not going to argue that; we are going to help by giving you 50 per cent of the cost." On its face that was fairly generous. Certainly it was half a loaf; it was better than nothing. I remember so well how proud our friend, the late Honourable Robert Winters, another great Canadian, was when he came to our province, and other provinces, and outlined what the Canadian government were prepared to do, and how happy he was when we signed those agreements. Certainly it was a great step forward.

When I was Minister of Highways for Newfoundland I came to Ottawa on different occasions, and pointed out the implications. I came here and pointed out that we had to build a highway 600 miles long across the island in a semicircular way. I took, as a neat comparison, the Province of Saskatchewan. At that time Saskatchewan had twice the population of Newfoundland so, if there were no other factors involved, the burden of building one mile of the Trans-Canada Highway in Newfoundland was twice as heavy as the burden of building one mile in Saskatchewan.

● (2120)

But there were other factors than that of population. As I recall it, the section of the Trans-Canada Highway in Saskatchewan was roughly 300 miles; the Newfoundland section was 600 miles. So if there were no other factors, the burden was twice as heavy on us. Therefore, with the factors of population and distance, our burden was four times as heavy.

The per capita income of Saskatchewan was then almost exactly twice ours, so the ability of the people of Saskatchewan to build a mile of highway was twice as great as ours. Taking those three factors—population, distance and per capita income—the burden was eight times as heavy on us as on the people of Saskatchewan.

In Saskatchewan the terrain is for the most part reasonably level, but in Newfoundland it is uphill and downhill. We had to penetrate the oldest rock on the face of the earth—granite that was there three billion years ago. When we were not going through rock we were going through bog and muskeg 10 or 20 feet deep, and every sizeable stream or river in Newfoundland had to be crossed. Therefore, from the standpoint of engineering or terrain, again the burden was twice as heavy, and the cost twice as high, for the average mile, as it would be in Saskatchewan.

There were other factors, but I will not bore you with them. Taking the factors I have just mentioned, the burden of building the Trans-Canada Highway in Newfoundland was 16 times as heavy as it was to build it in Saskatchewan. But the fixed sharing of the cost applied—for every mile built in Newfoundland the federal government would pay half the cost. As a consequence, 1964, fourteen years later, found Newfoundland—like Nova Scotia, New Brunswick, and one or two other provinces—with only half the highway built, instead of the whole of it being built in a reasonable period of time.

It could be argued that funds could have been diverted from other purposes. From what purposes? From what areas could funds be diverted? From education, from public health, or from hospitals? We had the biggest education problem, the biggest public health problem—the biggest problem in every way. It was beyond our capacity to build that highway in a reasonable period of time.

It would never have been built had Mr. Pearson not acceded to our request. A resolution—which Senator Martin will remember, because it was introduced by the Newfoundland delegation at the National Liberal Party convention here in Ottawa—calling on the Government of Canada to pay 90 per cent of the cost of completing the Trans-Canada Highway in those provinces where it had not been completed, was adopted unanimously at that meeting. Mr. Pearson agreed with it, and when he became head of the government it was implemented. That is why Newfoundland, New Brunswick, and probably Nova Scotia, have a reasonably good Trans-Canada Highway today. Without that assistance Newfoundland could never have hoped to build that highway. I have given a good example of an arbitrary formula which did not take into

account all the myriad factors involved at the provincial level.

Honourable senators, it is not necessary to argue the need for help to the provinces in the case of higher education—indeed, in the whole field of education.

Hon. Mr. Martin: Honourable senators, may I ask Senator Rowe a question? Is he in a position to say why the provinces, at the recent federal-provincial conference, did not accept the proposals of the federal government for further financial assistance in the field of post-secondary education?

Hon. Mr. Rowe: I am not in a position to answer that. I do not know the answer. I know that there was a divergence of opinion there. Statements were made by the Premier of Newfoundland, for example, and by others. I do not know why they did not accept it. I am sure that all have rationalized the stand they took. As my honourable friend knows, some of the provinces were at loggerheads on this whole matter. That is too bad. The fact that there are differing needs and different philosophies in various provinces should not prohibit or inhibit the devising of a formula for federal help to education.

Honourable senators, three basic principles should be recognized in devising such a formula. First of all, we must recognize the ability of a province to meet the demands on it. When Senator Hicks introduced this resolution, he pointed out that when the federal government first came into the field it did not take sufficient cognizance of the fact that Nova Scotia, one of the poorer provinces, had the biggest university burden. Probably Nova Scotia still has it. There are nine or ten universities there. Generally speaking, a relatively high proportion of the young people in that province are in university. It is a good thing for the rest of Canada, because the rest of Canada benefits from it. Four or five of the premiers of Canada at this moment are graduates of a Nova Scotia university. Perhaps one third of the members of this Senate are graduates of either Nova Scotia or New Brunswick universities. This points up the fact that universities are not only provincial assets. In the final analysis they are national assets; they belong to the nation.

The ability of any province to meet the existing burden must be taken into account. One example is Nova Scotia back in the 1950s. It is the same today. Then there is another aspect of that problem, as we had it in Newfoundland in the 1950s. We had a university college before that time, started in 1925; but in 1949 we set up a university. We had only 300 Newfoundlanders in that university, and our population then was 350,000. This meant, of course, that we had a disproportionately small number of Newfoundlanders in the universities as compared with, say, Prince Edward Islanders, Nova Scotians, or Canadians generally.

● (2130)

Why was this? Because Newfoundland lacked interest in education? Of course not. Newfoundlanders, as we all know, are descended from various nationalities. Obviously, I say this without one tinge of bigotry. There is no racism of any kind involved. By and large, almost 99.9 per cent, we are descended from and made up of English, Irish, Scottish, Welsh and French settlers, and those groups have never been noted for a lack of interest in education. Did they lack the ability? I do not think that at all, nor do I think anyone would argue that.

Newfoundlanders were victims of their economy; they were victims of the fact that they were, for the most part, spread along 6,000 miles of coastline in little hamlets, villages and coves in groups of five, ten, twenty or thirty families. In those circumstances it was impossible for them to maintain satisfactory schools; it was impossible to get well-trained teachers to go and stay, and the income of most people there was such that they could not afford to send their children anywhere else.

So we had this 300 and we could not tolerate that in Newfoundland. Our problem, one might say, was diametrically opposite to the problem experienced by our sister province, Nova Scotia, where at the same time, in one sense, they had too many students in university in relation to the resources of the province. Any formula, therefore, must recognize the arithmetic involved, the arithmetic I enunciated just now in respect of the Trans-Canada Highway. It would be irrational to devise a policy which would not take into consideration the per capita income, or the other factors involved.

Honourable senators, the university is not an entity in itself. It does not exist in a vacuum. It derives from specific sources, as we found out only too well in Newfoundland, again harking back to that figure of 300. Why were there not more than 300 students? We did not have a reservoir of high school students who could provide a university population larger than that.

Therefore, to build up our university it was necessary to build up our high schools. We now have one of the great universities in Canada, with an enrolment of 8,000 full-time students and a total population of 10,000. Despite that, our enrolment is still below the average enrolment in provinces across the country. To build up our university we had to build up the high schools. We had to centralize our people. We had to centralize our educational services. We had to link up the thousand communities that were dispersed across the Island. Because our population was scattered we had to link them up by providing roads.

When I became Minister of Education for the first time in 1966—I was in that portfolio twice—Newfoundland was spending precisely nothing on transporting children to school. Not one red cent! In the last year I was Minister of Education—not many years ago—our small province—small in population and in resources—was spending $6 million to transport children from their homes to school, to central, regional high schools and central schools at all other levels, and to transport them back home again in the afternoon. We spent $6 million for that alone. That is why today we have a university with an enrolment of 8,000 regular students.

I should not belabour the point, but in my opinion we cannot separate university education from education at other levels. If we are going to have an adequate post-secondary educational program we must have an adequate program at the high school level. There again you cannot have a dichotomy. You cannot separate the high school from the primary and elementary schools. That is where the high school student is created.

If there is a legal or moral justification for federal participation at the post-secondary level, there is an equally strong and rational, moral and legal justification for federal help at the high school, at the primary, at the elementary—at every level of education.

There is no doubt that in the near future, perhaps two or three years from now, we are going to amend the Constitution of Canada. I think that is inevitable. If that is so and if there is any doubt at all as to the legal right of the central Government of Canada to participate in the responsibility for education, then that doubt should be removed from the Constitution. That can be done without in any way destroying the inherent rights which some of the provinces are maintaining in this matter of educational responsibility.

When Senator Martin was speaking the other day and also when Senator Hicks was speaking, mentioning the contribution of Dalhousie and the universities of Nova Scotia and eastern Canada in general and their contribution to the Canadian welfare as a whole, a thought struck me which I have not seen written anywhere. I do not know just how valid the thought is, but, if it had not been for the universities that were established in the English colonies on the Atlantic seaboard in the 1600s, there might never have been a United States as we know it today. I am thinking particularly of Harvard University in Massachusetts, College of William and Mary in Virginia, Yale in Connecticut and King's College, which is now Columbia University, in New York. I think we would be amazed if we were to look at the number of political leaders responsible for creating the American union who were graduates of two or three of these universities.

The point I am making, honourable senators, is that Harvard was never a Massachussets university; William and Mary was never a Virginia university; Yale was never a Connecticut university; and King's College, or Columbia University, as we know it today, was never a New York university. Even before there was a political federation there, they were in a true sense universities which belonged to all the people constituting what is now known as the United States of America. Perhaps it would not be too much to say that, without Jefferson, without Washington, without the Adamses and Munroes and the others, without all those men who had been trained in those universities, without those universities and without that background, that union, that early union—one of the great historical events in the political history of mankind—would never have taken place. That union would never have been effected.

The analogy I am drawing is that, as Canadians, we all have our individual, specific, provincial concerns, but we are all concerned with a much wider issue—at least I think we are—and that is how to keep our nation together, how to preserve Canada and how to improve Canada. In my judgment, one of the best ways to preserve national unity and to preserve that nation we are all so proud to be a part of is through the universities, but not only through the universities: through education.

I am reminded again of a famous essay of Plato's which I am sure many honourable senators have read. As I recall Jowett's translation of Plato's essay on education, which is only two or three pages long, Plato put into the mouth of Socrates certain words. After debating the issue back and forth Socrates said:

> We may disagree about the nature of education, but we are all agreed that it is a good and necessary thing; and, therefore, it is the duty of every citizen to support it so long as he lives.

On motion of Senator Norrie, debate adjourned.

The Senate adjourned until Thursday, June 7, at 2 p.m.

THE SENATE

Thursday, June 7, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Statement on operations under the Veterans Insurance Act for the fiscal year ended March 31, 1973, pursuant to section 18(2) of the said act, chapter V-3, R.S.C., 1970.

Copies of Statement on operations under The Returned Soldiers' Insurance Act for the fiscal year ended March 31, 1973, pursuant to section 17(2) of the said act, chapter 54, Statutes of Canada, 1920, as amended 1951.

PRIVATE BILL

NATIONAL DENTAL EXAMINING BOARD OF CANADA—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 S-7, respecting the National Dental Examining Board of Canada, and had directed that the bill be reported without amendment.

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

Hon. Mr. Flynn moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Gildas L. Molgat: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, June 12, 1973, at 8 o'clock in the evening.

Honourable senators, it will be necessary for the Senate to meet next week in order to complete work on the bills which are now before us and to deal with legislation expected to reach us from the other place.

Bill S-4, to amend the National Parks Act, is still before the Standing Senate Committee on Banking, Trade and Commerce. The committee hopes to report the bill some time next week. We also have before us Bill C-177, to amend the Judges Act, which it is expected will be referred to the Standing Senate Committee on Legal and Constitutional Affairs following second reading. We expect also that the National Housing bill, and one other piece of legislation, will be coming to us from the House of Commons.

Our standing committees have a heavy work schedule next week. The Committee on Foreign Affairs will sit on Tuesday, Wednesday and Thursday to continue work on its report on the expanded European Community. The Banking, Trade and Commerce Committee will meet on Wednesday and Thursday to continue its study of direct foreign investment in Canada and to consider further Bill S-4. The Legal and Constitutional Affairs Committee will meet on Wednesday and Thursday to continue its examination of the parole system in Canada, and to consider Bill C-177, to amend the Judges Act, if the bill is referred to it. The National Finance Committee will meet on Wednesday to continue its examination of the main estimates for 1973-74. The president and other officials of the Treasury Board are expected to appear before the committee. The Agriculture Committee will be in session next week in Moncton, New Brunswick, to investigate the agricultural conditions in Kent County. As a number of senators will be on that trip, I would urge all other senators to attend here so that we will be assured of good representation.

It is my understanding that the Banking, Trade and Commerce Committee and the National Finance Committee have such heavy agendas for next week that they would like to sit both morning and afternoon on Wednesday. I suggest, therefore, that when we adjourn on Tuesday we do stand adjourned until the following Thursday, as we have done for the past two weeks. That would give all day Wednesday to the committees. There is a possibility, however, that the bills from the other place may not reach us on Tuesday night, in which case we may have to have a short session in the house on Wednesday. The expectation is that that will not be the case. In the event that we might have to sit on Wednesday, we would still want the committees to have the right to sit on Wednesday afternoon. As soon as we have dealt with this particular motion, I will be moving a motion to permit the advertisement of committee sittings on Wednesday afternoon.

Motion agreed to.

BANKING, TRADE AND COMMERCE LEGAL AND CONSTITUTIONAL AFFAIRS NATIONAL FINANCE

MOTION TO AUTHORIZE COMMITTEES TO MEET DURING SITTING OF SENATE—DEBATE ADJOURNED

Hon. Gildas L. Molgat, with leave of the Senate and notwithstanding rule 45(1)(a), moved:

That the Standing Senate Committee on Banking, Trade and Commerce, the Standing Senate Committee on Legal and Constitutional Affairs and the Standing Senate Committee on National Finance have power to sit while the Senate is sitting on Wednesday, 13th

June, 1973, and that rule 76(4) be suspended in relation thereto.

The Hon. the Speaker: With leave of the Senate and notwithstanding—

Hon. Mr. Deschatelets: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: We are not prepared to support this motion at this time. It all depends on what may come before the Senate next week. If Senator Molgat has no objection, I should like to move the adjournment of the debate on this motion until next week at which time we shall be in a better position to determine which priorities should be considered.

Hon. Mr. Langlois: Adjourn the debate until Tuesday evening, then.

Hon. Mr. Flynn: In principle, I disagree with the practice of having our committees sitting while the Senate is sitting.

Hon. Mr. Langlois: This motion is being put just in the event that the Senate does sit on Wednesday afternoon.

Hon. Mr. Flynn: Let it stand for now. If the circumstances are such on Tuesday evening as to require our sitting on Wednesday, we will not withhold consent.

Hon. Mr. Langlois: We will be in a much better position Tuesday evening to judge the situation.

Hon. Mr. Flynn: That is right.

Hon. Mr. Molgat: I will not push for the motion to be adopted now. I do want to say that this motion is brought at the request of the chairmen of those committees.

Hon. Mr. Flynn: I understand your position.

Hon. Mr. Molgat: They wanted to make it clear that there will be committee sittings on Wednesday afternoon. If the Senate does sit Wednesday afternoon, those committees will meet immediately following the adjournment of the Senate. Unless it is advertised that the committees will meet in the afternoon, some committee members, when they see a committee notice merely calling a meeting for 9.30 in the morning, assume that it is purely a morning sitting. I am serving notice now that it is the intention of those committees to sit Wednesday afternoon. If the Senate does sit, the committees will meet immediately following the adjournment of the Senate.

Hon. Mr. Everett: Honourable senators, I might point out that under the circumstances that obtain at this moment we are not permitted, in advertising a committee meeting, to indicate that there will be a sitting at 2.30 p.m. The Standing Senate Committee on National Finance will have appearing before it the President of the Treasury Board, the Honourable Mr. Drury, and his officials, to discuss the main estimates. We are not empowered in this body to advertise that there will be a meeting at 2.30 p.m. All we can say is that the committee will meet at 9.30 a.m., and that officials of Information Canada will be heard, followed by the President of the Treasury Board.

As honourable senators are aware, when senators get that type of notice they assume, as they have a right to do, that the meeting will be concluded at the end of the morning sitting, and they make provision to do other things in the afternoon or to attend other committee meetings. I wonder, first of all, if the Leader of the Opposition would reconsider in this particular instance, because the committee hearings are set. I gather it is very unlikely that the Senate will have to sit next Wednesday, and it does make the notice to senators effective. If he cannot reconsider, I wonder whether consideration could be given by this body to allow us, in circumstances where we believe we will not be sitting on a certain day, to get out a notice indicating that the hearings will be in the morning at a certain time and again in the afternoon at a certain time.

● (1410)

Hon. Mr. Goldenberg: Honourable senators, I would like to join Senator Everett in his plea to the Leader of the Opposition. A member of the committee of which I am chairman has not been well, but he is particularly interested in what we are planning to look into next week. I would have the responsibility of telephoning him and asking him to attend on Wednesday. I would hate to do that if we will not be able to meet on Wednesday afternoon.

Hon. Mr. Martin: You will be able to meet. The question is when.

Hon. Mr. Grosart: Honourable senators, I suggest that the principle which has been discussed here and in the Standing Committee on Internal Economy, Budgets and Administration, and elsewhere, has laid down that committees will not meet when the Senate is sitting. I suggest it is of the utmost importance to this chamber that we maintain that as a rule that will not be breached except in certain emergencies. I do not consider the situations that are arising between these two committees—one of which I am a very interested member—constitute any emergency. In the case of some of these committees, earlier planning would have prevented this situation.

Hon. Mr. Goldenberg: No.

Hon. Mr. Grosart: We come up against this all the time, when for reasons of the committee structure we are asked to make a fundamental change in the rule of the Senate. I will oppose at any time a motion to establish the right of committees to sit when the Senate is sitting.

Hon. Mr. Molgat: Honourable senators, I do not want to extend the debate, but I want to make it clear that it was my understanding from the committee chairmen that they were not asking for permission to meet while the Senate was sitting. They merely wanted to be able to get over the rule that certain committee sittings cannot be advertised. The plan was that if the Senate had to sit on Wednesday—and it would likely be for a short time in any case—the committees would meet immediately following. Under the rules the committees cannot advertise the fact that they would meet Wednesday afternoon.

Hon. Mr. Everett: I can say that it is not the intention to meet while the Senate is sitting. That we cannot tell senators that the President of the Treasury Board is coming to the Senate committee to help us in the examina-

tion of the estimates at 2.30 p.m. is, to me, an intolerable situation, and one that I plead with the Senate to change.

Hon. Mr. Flynn: We will cross that river when we come to it.

Hon. Mr. Grosart: Surely the answer is that we have had the estimates before us for months. There is no reason in the world why the President of the Treasury Board should not come before us in the morning, at some time when the Senate is not sitting. The President of the Treasury Board is a very important minister, but he is not more important than the Senate.

Hon. Mr. Everett: With respect, I am not suggesting that the President of the Treasury Board should be heard when the Senate is sitting. I am merely suggesting that in the event the Senate is not sitting we can advertise his attendance in advance. Senator Grosart and I have no disagreement.

Hon. Mr. Grosart: I know we do not.

Hon. Mr. Martin: Honourable senators, having listened to the debate, I think the suggestion of the Leader of the Opposition is an acceptable one in the circumstances. I think what Senator Grosart has said about the primacy of Senate sittings over committee sittings is accepted by all of us. I certainly would not want the Senate to compete with the President of the Treasury Board to see which would get the larger audience. I agree with Senator Grosart that committees must be accommodated to the requirements of the Senate. We have now had a good discussion. I think the chairman, Senator Everett, should go ahead and hold sittings on Wednesday. We will hold our sitting here. Nothing must be allowed to happen that would impair the function of this chamber if it meets.

On motion of Senator Flynn, debate adjourned.

OFFICIAL LANGUAGES

PRINCIPLES RESPECTING EMPLOYMENT IN THE PUBLIC SERVICE

The Senate resumed from Tuesday, June 5, the adjourned debate on the motion of Senator Martin:

That this House,

(i) aware that, as provided in the Official Languages Act, the English and French languages possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada;

cognizant that it is the duty of departments and agencies of the Government of Canada to ensure, in accordance with that Act, that members of the public can obtain available services from and communicate with them in both official languages; while

recognizing that public servants should, as a general proposition and subject to the requirements of the Official Languages Act respecting the provision of services to the public, be able to carry out their duties in the Public Service of Canada in the official language of their choice;

do hereby recognize and approve the following Principles for achieving the foregoing:

(1) that positions which are seen, under present circumstances, as requiring the knowledge and use of both the French and English languages will be first identified, and then designated, as bilingual in the course of the period ending December 31, 1978;

(2) that positions will also be identified where English is an essential requirement of the job, where French is essential, or whether either French or English may be used;

(3) that a knowledge of English and French is one of the elements of merit in the selection of candidates for bilingual positions;

(4) that competitions for bilingual positions will be open both to bilingual candidates and unilingual candidates who have formally indicated their willingness to become bilingual;

(5) that competitions for unilingual positions will continue to be open to unilingual or bilingual candidates who meet the language requirements of the job;

(6) that unilingual incumbents of bilingual positions may elect to become bilingual and undertake language training, or transfer to another job having the same salary maximum, or, if they were to decline such a transfer, to remain in their positions even though the posts have been designated as bilingual;

(7) that employees who, as of April 6, 1966, had at least ten years of continuous service and who, since that date, have been employed continuously in the federal Public Service, will be entitled to apply for any job that has been identified for future designation as bilingual without having to indicate their willingness to become bilingual;

(8) that unilingual French-speaking and English-speaking persons from outside the Public Service who are willing to become bilingual may apply for bilingual positions open to public competition;

(9) that language training, at public expense, will be provided to unilingual public servants as well as to persons who are appointed to the Public Service to bilingual positions;

do further approve the Government of Canada, and, in particular, the Treasury Board and the Public Service Commission taking the measures required to give effect to the aforementioned Principles; and

(ii) do further approve the taking of measures, after consultation with employee representatives, designed to produce a greater use of the French language at all levels in the Public Service, through increasing, where practical, the number of French Language Units, through further recruitment efforts by the Public Service Commission, through training programs offered in the French language and by developing proposals, in conjunction with the Governments of the Provinces of Ontario and Quebec, to enhance the bilingual character of the National Capital region, thus helping to realize the objective of achieving, within the merit principle, full participation in the Public Service by members of both the anglophone and the francophone communities.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, the resolution introduced by the Leader of the Government invites Parliament, the House of Commons and the Senate, separately and not severally, to approve a set of standards dealing with the implementation of the Official Languages Act in the Public Service, a set of standards released in December by the President of the Treasury Board, the Honourable Mr. Drury.

Since their release, those standards have raised a lot of comments in the press and other mass media. It is generally agreed that they result from considerable resentment about the policy followed up to that time for implementing bilingualism in the Public Service. The government wanted to calm the increasing apprehension of a large percentage of public servants over the methods followed up to that time to achieve the objectives of the Official Languages Act.

It is also agreed that those standards were provoked by the result of the October 30 election which the government interpreted as censure against its action in that respect.

However, if one reads them well, those standards bring nothing new, except perhaps on two counts; the first one being the postponement from 1975 to 1978 of the deadline in the period during which positions requiring the knowledge of English and French would be defined and identified.

The second point states that a unilingual public servant whose position would be classified as bilingual would be offered either a course in the language other than his, or another position having the same salary, or, even if he were to decline such a transfer, to remain in his position even if it became a bilingual position.

So those standards do not amend the Official Languages Act any more than those more or less defined that the government had followed up to the release of the standards known as the Drury standards. They are at best a statement of intent that even ratified by Parliament does not bind the government, does not prevent it from changing its approach, provided, however, it remains within the law.

This kind of statement is not new. They are constantly made by the government and the ministers to inform the legislators and the public of a new orientation or of a policy change. It is quite exceptional when Parliament is invited to ratify them officially.

In the same category are found the various statements or communications made by the Secretary of State for External Affairs regarding Canada's participation in the cease-fire control commission in Viet Nam. But, in this connection, you will remember that the government shelved for several months a resolution inviting Parliament to ratify its decision to participate in the Control Commission. Of course, this motion has no longer any meaning but however it was motivated, prior to the withdrawal decision, by the fact that the Opposition had proposed an amendment which would have compelled the government to consult the House after a certain period of time. Faced with the possibility of such an amendment being adopted, the government prudently retreated and regretted having tried to obtain Parliament's agreement.

I suppose it is in the same line of thinking that the government is inviting Parliament to approve the Drury guidelines but it is also in the same spirit as in the case of Viet Nam; it rejected the amendment proposed by the Official Opposition in the other place which would have required the incorporation of those guidelines in the statutes.

The government agrees to its decision being ratified but does not want to be bound by it if in the future it should see fit to change its policy.

In this context, you will not be surprised if I have doubts about the purity of the government's intentions. It is clear to me that purely partisan motivations have incited Mr. Trudeau to submit this resolution to the House and to request the government leader to do the same in the Senate. This finding is all the more justified since the Prime Minister reportedly made a statement yesterday after the question was put in the other place that in future Opposition parties could not criticize government policy on implementation of bilingualism or the Official Languages Act within the Public Service.

• (1420)

Can you figure that out? The Prime Minister does not want to be criticized any longer in this very delicate area. He will be able to say anytime: "I have the support of all parties in the House—the House has made a decision, so has the Senate, consequently nobody has any right to blame us for the way we proceed to gain recognition for the status held respectively by English and French within the administration."

Moreover, because the debate in the other place has given rise to criticism and protest, sometimes justified and sometimes overrated, the government—if not the government, surely many of its supporters—will want to raise again the argument that the Liberal Party is the sole real champion of French-speaking Canadians.

Hon. Mr. Fournier (De Lanaudière): That is true.

Hon. Mr. Flynn: Senator Fournier had to say: "That is true." I know how he was elected, how he achieved his political career. I recognize his frankness and I congratulate him for this.

What I suggest, honourable senators—

Hon. Mr. Fournier (De Lanaudière): Your Honour, I rise on a question of privilege.

If my honourable friend knows how I was elected, how I achieved my career, I think this is the proper place to tell everybody about it.

Hon. Mr. Flynn: You were elected because you were Liberal and advocated in the province of Quebec that yours was the only party which was really in a position to represent Quebecers. I know that because I tried to make a career in the other party.

Honourables senators, I claim that, for all practical purposes, it is useless to ask the Senate to approve this resolution, and that it was even more dangerous and unwise to seek the consent of Parliament. I am sure the Senate will approve it unanimously, just as it approved unanimously the Official Languages Act. The government will then pride itself on this endorsement, which will not

prevent it from issuing new standards a few months from now if it has reasons, electoral or otherwise, to do so.

I hope that this resolution or motion will be adopted this very day so that we may forget all the remarks and debates it has given rise to, either in Parliament or elsewhere. It served only this purpose.

I could not help smiling when I read the speech which the Leader of the Government forced upon us on Tuesday evening. I do not know who prepared it, but I must admit I have seldom heard anything so pompous, stagy or overdone.

In his preamble, he summarized the history of Confederation to come to the conclusion that everything that had occurred since 1867 brought us inevitably to this important decision which the resolution invited us to take. As though history would mark the adoption of this resolution as an important event!

One cannot imagine the emotion I was seized with when I heard the Leader of the Government conclude:

> What is required of us now is that we confirm our faith in those who established this nation by endorsing the principles embodied in the motion and building upon that foundation to assure all Canadians continuing opportunity to participate in the destiny of this country.
>
> In my opening remarks I referred to Renan's criteria for nation building. It is my hope that the steps we are taking today will be recorded in the common memory of future generations as having been a contribution to the binding principles of Confederation. When that time arrives there will be, for this land, a future

He went on to quote, I do not know whom—

> "no less enduring for the slow and bitter travail of its birth."

Honourable senators, are not these words extremely fascinating?

I suggest to the government leader that the motion he urges us to carry relates to a very practical problem and the invitation to pass it is merely a tactic which will not have, thank God, the results that the government is hoping for.

[*English*]

Honourable senators, may I summarize by way of conclusion what I have just said about this motion. The guidelines embodied in this resolution were announced more than five months ago, and have been the object of comment in all the information media since then. They really represent very little that is new. They postpone the target date of 1975 to 1978 to define and designate the positions in the Public Service which will require a knowledge of both French and English. They introduce the rule that unilingual incumbents of bilingual positions may elect to become bilingual and undertake language training, or transfer to another job having the same salary maximum, or, if they decline such a transfer, to remain in their positions even though the posts have been designated as bilingual. They can do whatever they like.

When they were drafted, these guidelines were some kind of confession by the government that the method it had used in applying the Official Languages Act had created uneasiness in a large segment of the Public Service. Many public servants, rightly or wrongly, had convinced themselves that the rules of implementation were unfair. It would have been sufficient for the government to make these guidelines public and stop there. It was wrong, I suggest, to risk a debate at this time by inviting Parliament to ratify them. It was certainly not necessary. These guidelines do not amend the Official Languages Act, and can be changed tomorrow if the government deems it advisable.

● (1430)

There is no doubt that the government wants to be able to modify them, since it refused the amendment proposed by the Official Opposition in the other place, recommending that these guidelines be embodied in the act. The motives of the government in seeking the approval of Parliament are obviously not pure. The Prime Minister said after the vote in the other place last night that from now on nobody would be justified in criticizing the government's policy related to bilingualism in the Public Service. Just imagine what the Prime Minister would have said if the house had refused to approve the motion, or if a substantial number of members had voted against it.

I do not believe that anything was gained by anyone in the debate in the other place. For this reason I hope that we will pass this motion unanimously today and forget about the whole matter. I do not mean by that that we should not see to it that the Drury guidelines are implemented, but rather that the question of bilingualism is never again used as a political football.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: What is needed in Canada at this time is a show of tolerance and good will on both sides of the linguistic curtain. Also there must be understanding by those whose mother tongue is French or English for those other Canadians whose mother tongue is neither. I know that in debates on bilingualism many so-called new Canadians sometimes feel that they are forgotten and looked upon as third class citizens.

Canadians as a whole must be convinced that bilingualism is neither an imposition nor a burden. The acknowledgment of two official languages should not be considered a negation of the value of the culture of other groups who have joined the two founding communities of this nation.

Hon. Senators: Hear, hear.

Motion agreed to.

JUDGES ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, June 5, the adjourned debate on second reading of Bill C-177, to amend the Judges Act.

Hon. Jacques Flynn: Honourable senators, I have discussed this bill with the sponsor and the problem I had has been resolved. Therefore, I have nothing to add at this time. I understand it is the intention of the sponsor to move that the bill be referred to the appropriate standing

committee. As far as I am concerned, second reading can be given now.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Cook, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

FOREIGN AFFAIRS

MEETINGS OF THE STANDING SENATE COMMITTEE ON FOREIGN AFFAIRS AT THE EUROPEAN COMMUNITY, BRUSSELS, BELGIUM—DEBATE CONTINUED

The Senate resumed from Thursday, May 31, the adjourned debate on the inquiry of Senator Grosart calling the attention of the Senate to the meetings of the Standing Senate Committee on Foreign Affairs held at the European Community in Brussels, Belgium, 19th to 23rd March, 1973.

Hon. Paul C. Lafond: Honourable senators, I am grateful to the chairman and vice-chairman of the Standing Senate Committee on Foreign Affairs for the opportunity given to those of us who participated in this "prise de contact" with the European Community, its officers and its officials, to voice some of our impressions of this exercise. I am sure Senator Aird and Senator Grosart did this in the full knowledge that this could have two possible results. We would "scoop" our own report, and we would be putting together for them the first draft of that report.

It was indeed, to my mind, a most enlightening experience, and I join other members of the committee who have preceded me in the expression of thanks and congratulations to all those who had a part in the planning and execution of the operation; although I must say the decompression of the program into an additional 24 or 48 hours would have made it much easier for us to absorb the mass of material and intelligence of which we were the recipients.

As Canadians, through our refusal to accept the melting pot formula, we have never sought to become, nor have we become, as detached from Europe as our geography would seem to favour. It has been somewhat difficult to accept our being kept entirely out of the grandiose and very worthwhile concept of a united Europe. But we must be realistic and recognize the fact that any concession made to us, for either sentimental or economic reasons, could not then be refused to the United States without denaturing the objectives followed throughout their parliamentary careers by men like Winston Churchill, Jean Monnet, Harold Macmillan, and so many others. Yet, it was gratifying to discover within the European Community officialdom a high degree of consciousness of the Canadian identity. We need not be afraid of being lost in the shadow of our southern neighbours.

Indeed, it was repeatedly pointed out to us, entirely without prompting on our part, that the communiqué of the Community summit, which had preceded our visit by a few weeks, had specifically referred to Canada in the same light as the United States and Japan; also, that the expanded geographical dimensions of the Community has brought our coastlines to within 20 miles of each other in Nares Strait between Ellesmere Island and Greenland, an area considered abundant in resources. Because of this, and as common interests continue to develop in the normal course of things, I have no doubt that our links will inevitably become closer as the Community gains self-assurance.

I say "as the Community gains self-assurance" because we must not deceive ourselves into believing that it is a going concern yet. It has started to breathe, yes, but it is still very much in delivery, more so after the convulsions it has subjected itself to in expanding to nine countries instead of six. We may be too prone to consider the Treaty of Rome and its subsequent amendments as a simple merger of multinational corporations, which became completely effective and operative immediately it was signed. On the contrary, the agreement sets more tentative objectives, and tentative schedules for attaining them, than it does conclusive agreements. The Community is very much at an initial development stage and its members are groping, with difficulty, to find common ways. We would be foolish indeed to expect that we can undertake to discuss, much less negotiate, far-reaching trade or other agreements until, at least, the baby is out of the incubator.

● (1440)

The concept of the Community is laudable, and we can rest assured that it will be pursued diligently by an ever-growing number of dedicated Europeans. Yet its viability is by no means established at this time.

Following the arduous meeting of the Ministers of Agriculture in Luxembourg, Maurice Delarue wrote in *Le Monde* of May 4 last:

[*Translation*]

> What happened at Luxembourg justifies the pessimists who were anticipating that any important decision would be much more difficult to arrive at with nine members than with six. For all that, is the community doomed even more than in the past to live in a permanent state of crisis? Cannot Europe be governed otherwise?
>
> It is clear that with the admittance of Great Britain within the Common Market, supranational power has receded still more. For a long time yet Europe will operate by intergovernmental compromises made easier through the action of the commission.

And he added in closing:

> The community, which is too readily proclaimed as being "irreversible", is mortal like civilizations—a fact that is much ignored. Its path is bordered by abysses and it just had a narrow escape.

The cornerstone, which is not yet sufficiently identified and thus delays the development of the European Community, is a European parliament properly empowered. I fully agree with Senator Macnaughton in that respect.

[*English*]

I should like to draw the attention of honourable senators to the comments of Clyde Farnsworth in the *New York Times* of May 20 in a dispatch dealing with charges

of extensive fraud connected with European farm subsidies. Mr. Farnsworth said:

> —the heat is on from a reanimated European Parliament. Things could change: important implications for Common Market development.
>
> The frauds could lead to the strengthening of central institutions. The commission would finally assert its authority over the spending of community funds in the member states. The Parliament, as the voice of the public, would assert its authority over the commission.
>
> Thanks to the British influence, the European Parliament is already about to grant itself special investigative powers to try to get to the bottom of the frauds.

We received the firm impression, particularly from the Germans, the Dutch and the Belgians, that they look forward hopefully to a constructive British input in the accelerated development of a full-fledged parliamentary institution in the Community.

If I may, I should like to devote a few moments to the common agricultural policy and the light in which I believe we should view it.

We were unfortunately unable to get together with Mr. Lardinois or Mr. Rabot, respectively a member of the commission and the Director General for Agriculture. To a question that I put to member of the commission, Mr. Scarascia-Mugnozza, he acknowledged that the common agricultural policy was very much to the front of their concern, since it affects directly so many individuals, as producers and consumers, in an age group where the Community itself is not as readily accepted as it appears to be with the youth of Europe generally.

The wranglings in agriculture among member nations are undoubtedly the result of traditional national interests and political imperatives in each nation, since the Community elector still has a voice only in the election of his own national parliament and not directly in the executive of the parliament of the Community.

Mr. Mugnozza estimated that it would be several years before a reasonable degree of stability could be attained in the functioning of CAP. Their internal agricultural marketing problems are further compounded at this time by the abstention of Great Britain, Ireland and Italy from the common float of their currency, as was demonstrated at the Luxembourg ministerial meeting to which I referred earlier.

The French were demanding a substantial rise in meat and milk prices and a lesser rise in grain. Germany and the Benelux countries held the opposite view, while Britain and Italy were striving to keep all prices down. Britain and Italy naturally wish to avoid oversubsidizing French producers; Germany wants to avoid importing more inflation; and Commission plans for a cut in border taxes would have nullified price increases in Germany and Benelux.

Out of this chaos, however, compromise was achieved, and there now appears to be new determination among the members to undertake the fundamental reform in CAP that everyone is clamouring for, and to produce proposals for the council meeting to be held in October on the subject.

The London *Financial Times* of May 2 offers this comment:

> —the review of the CAP this autumn should coincide with the opening of the new round of trade liberalisation talks. Agricultural trade and production were virtually excluded from the Kennedy Round, but they cannot be excluded this time if the negotiations are to have any chance of success.

I sense among analysts of agricultural matters within the Community that there is developing a growing dissatisfaction with subsidies and support prices as a basic element of European agricultural policies, and they appear to be making their way slowly towards a formula not unlike our own as contained in the Farm Products Marketing Agencies Act.

Our own major concern in agriculture, with the accession of Britain to the European Community, has been the loss of our preferential status in the wheat and grain trade with Britain. The deeper we go into the subject, the less I fear that even in the short run this will have a marked effect on Canadian sales. I must reject, however, the spurious argument that has often been made here that British taste in baked goods will require a continued approvisionment of hard wheat. Tastes change much faster than farming practices. France is, has been, and will be, a wheat exporting country. We cannot avoid that fact.

Last August, when Senator Phillips and I represented the Senate at the anniversary of Dieppe, the then Minister of Veterans Affairs, Senator Laing, who was leading the delegation, gave us a day off, and we had the opportunity of taking an all-day drive through Normandy. Wheat fields were in their prime, and I could see for myself why this area has been called the granary of France and the granary of Europe.

We were lodged with a retired French admiral who had fought in both wars. Incidentally, his name is Paul Martin.

Hon. Mr. Flynn: I thought we had enough in one!

Hon. Mr. Lafond: His family's extensive land was rented out to wheat producers. I tried him out on this argument of the British taste for hard wheat and his reply was, "It doesn't matter, the British can't bake bread, anyway!"

I say this, that if the British want to convert to French wheat at Community prices, let them do so and not be too concerned. French bread is still a treat, in most instances. It may well serve us better, since the French will then have much less wheat to dump on world markets at cut prices, as they have done nearly every year since the lapse of the International Wheat Agreement. We are global traders in grains and we should keep our outlook global, particularly in this era of buoyant markets.

● (1450)

Europe will still require much of what we can produce, and as it gets its house in order we will be dealing with the Community as such. I was extremely pleased to learn a few days ago that the Canadian Wheat Board has now opened a permanent office in Brussels.

Some weeks ago, on Radio Canada's television network, an interview was carried with the president of the French Federation of Agricultural Producers. They were holding a general meeting, in the last week of March, I believe, in northeastern France, and representatives of producers from other Community countries were to be in attendance. I forget his name, but one gentleman said, "Europe can be self-sufficient in bakeable"—"panables" was the word he used—"grains and cereals. But, even in front of an enormously increasing demand for red meat, there are serious limitations in our capacity to increase production and to convert from dairy to meat cattle. We will still need feed grains from you, but possibly you should yourselves consider converting more of your grains to meat production. Our markets I am sure would be wide open."

So there it is. The suggestion might not easily be made to work, but it certainly is worth a good look. Not only are we being shown how, but we might be shown up.

Honourable senators who may have seen the national news last Saturday evening on the CBC may recall the film clip of two or three minutes in which a gentleman, by the name of, as I recall, Deshorties, was being interviewed in Alberta by Del Delmage. This gentleman is a French national who immigrated to Canada a couple of years ago. Since coming to Canada he has acquired a considerable spread of land and is acquiring quite a bit more, apparently to the dismay of some Albertans. He has firm contracts this year to export 5,000 head of cattle to France and is expanding his business. It seems that fear has been expressed in the area that he might be a front for a multinational corporation. He denies this vehemently, and I am inclined to believe him.

Hon. Mr. Martin: The chairman of our Agriculture committee ought to be taking note of all this.

Hon. Mr. Lafond: I presume he is and, by the way, I welcome him back to the chamber.

The opportunity for such exports is there and, if we do not take it ourselves, it is wide open.

As I have tried to say, honourable senators, the European Community is not merely an experiment. There are too many serious-minded people in all of the member countries filled with the determination that it must and will succeed. It is still in its infancy. We must keep a close watch and keep ourselves well informed on its development.

Whether or not the Community opens an information office in Canada, as has been suggested by Senator Sparrow, it seems to me that for at least the next five or six years our Foreign Affairs Committee should invite our Ambassador to the Community to appear before it annually, or more frequently if required, in order to bring us up to date on new developments.

On motion of Senator Martin, debate adjourned.

The Senate adjourned until Tuesday, June 12, at 8 p.m.

THE SENATE

Tuesday, June 12, 1973

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

Prayers.

NATIONAL HOUSING ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-133, to amend the National Housing Act.

Bill read first time.

Hon. Paul Martin moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

PROPERTY QUALIFICATION OF SENATORS

SUPPLEMENTARY RETURN PRESENTED

The Hon. the Speaker: Honourable senators, in accordance with the motion adopted by the Senate on February 21, 1973, I have the honour to table herewith a supplementary list of names of members of the Senate who have renewed their declaration of property qualification.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a release entitled "Proposed Income Tax Regulations, Manufacturing and Processing Profits", dated December 28, 1972, issued by the Department of Finance.

TANZANIA, KENYA AND SOUTH AFRICA

VISIT OF CANADIAN BUSINESSMEN—NOTICE OF INQUIRY

Hon. Donald Cameron: Honourable senators, with leave of the Senate and notwithstanding rule 44(2), I give notice that later this day I will call the attention of the Senate to the recent visit of a group of Canadian businessmen to Tanzania, Kenya and South Africa.

I am asking for leave because I understand there is a short agenda and I would propose to open my discussion this evening and complete it at a later time.

The Hon. the Speaker: Honourable senators, has the Honourable Senator Cameron leave to proceed with his inquiry later this day?

Hon. Senators: Agreed.

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 Thursday, June 14, 1973, at 2 o'clock in the afternoon.

I might take this opportunity to remind honourable senators that several standing committee meetings are scheduled for tomorrow. The Foreign Affairs Committee will meet at 9.30 a.m. and, if necessary, will meet again in the afternoon. The Legal and Constitutional Affairs Committee will meet at 2.15 tomorrow afternoon; the National Finance Committee at 9.30 in the morning and 2.30 in the afternoon; finally, the Banking, Trade and Commerce Committee at 9.30 in the morning and 2.30 in the afternoon.

Motion agreed to.

INCOME TAX

STATISTICS RE FILING OF PERSONAL INCOME TAX RETURNS—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, on May 23 the Honourable Senator Flynn asked the following questions in the Senate:

> Honourable senators, may I ask the Leader of the Government if he could, at his convenience and, of course, the convenience of the officials of the department concerned, inquire as to how many Canadians filed personal income tax returns for the years 1969, 1970, 1971 and 1972? Of course, as far as 1972 is concerned I realize it will likely be only a forecast.
>
> Would the Leader of the Government also inquire as to how many Canadians actually paid personal income tax for the years 1969, 1970, 1971 and 1972, and again, as far as 1972 is concerned I realize it may be only an estimate.
>
> I should also like to know the total amount paid in personal income tax for the years 1969, 1970 and 1971, and the expected revenue from personal income tax for the year 1972. Perhaps the Leader of the Government could have the Department of National Revenue do the arithmetic on that and provide me with the average amount paid in income tax by a Canadian taxpayer for the years mentioned, and the projected amount to be paid by a Canadian taxpayer for 1972.

I have now received answers to Senator Flynn's questions from the Minister of National Revenue, as follows:

	Taxation Year			
	1969	1970	1971	1972
	000	000	000	000
Number of returns filed.....	8,882	9,183	9,533	10,300
Number of taxable returns...	7,364	7,642	7,373	7,800

	Taxation Year			
	1969	1970	1971	1972
	In millions of dollars			
Total federal tax payable....	5,278	6,037	6,689	7,500
	$	$	$	$
Average federal tax payable..	717	790	907	962

Figures for 1972 included in the above represent estimates only.

THE HONOURABLE JOHN J. CONNOLLY, P. C.
THE HONOURABLE SARTO FOURNIER

TRIBUTES ON TWENTIETH ANNIVERSARY OF APPOINTMENT TO SENATE

Hon. Paul Martin: Honourable senators, although we do not call attention to the anniversaries of all honourable senators, for, I suppose, obvious reasons, before we proceed with our business I would like to direct the attention of my senatorial colleagues to the fact that this is the twentieth anniversary of his membership in this house of Senator Connolly.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, perhaps I should not speak on this occasion. Normally, when things of this character are mentioned, one is sitting in, I hope, a seat in a much higher place than the Senate and observing the proceedings from on high. However, I must say that I am most grateful to the leader of the house for what he has said, and I am grateful to my colleagues here for the way they have responded.

It is 20 years ago today that I was summoned to this place, along with my very good and old-time friend, Senator Sarto Fournier.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly: Honourable senators may be interested to know that when we were summoned to the Senate 20 years ago we were not only the two youngest members of the chamber, but perhaps about as young as anyone summoned to this chamber had been. We were in distinguished company. Senator Joe Bradette was summoned at the same time, as were Senator Aurel Léger; Senator Len Tremblay, whom so many of us knew in the other place and who was such a beloved character; Senator Bradley from Newfoundland, and the present Lieutenant Governor of Ontario, then Senator Ross Macdonald. I am sure Senator Fournier (De Lanaudière) will agree when I say that these 20 years in the Senate have been—certainly they have from my point of view—the most fruitful of our lives.

I thank honourable senators for the courtesy and kindness they have always shown to me since I have been here.

[*Translation*]

Hon. Mr. Martin: One cannot let this occasion go by, which I had entirely forgotten about, without mentioning the achievement as a member of the Senate of Senator Sarto Fournier who entered the House of Commons at the same time I did in 1935. For his 20 years here and for everything he has contributed we offer him our thanks and congratulations.

Hon. Sarto Fournier: Honourable senators, I think I should not remain silent on this occasion as I usually do.

I am very pleased with the congratulations that I received today from my colleague Senator Connolly (Ottawa West). I cannot believe that 20 years have already gone by. It is a perfect excuse for the government leader to have forgotten the occasion but he was kind enough to recall that it was over 35 years ago—I do want to count the years but I think it was the general election of October 14, 1935—that we were elected members of the Parliament of Canada. It was a great honour. I take the opportunity that is being given to me to thank my voters who were then in the ridings of Maisonneuve and Rosemont for the confidence they showed on several occasions and also to thank the government of Mr. St. Laurent for the confidence it showed when it did me the honour of enabling me to become one of your colleagues.

I have a tender recollection of those events, a recollection filled with gratitude, and every time the occasion arises I will make it a pleasure as well as a duty to let my will equal my responsibilities.

● (2010)

PRIVATE BILL

NATIONAL DENTAL EXAMINING BOARD OF CANADA—THIRD READING

Hon. Orville H. Phillips moved third reading of Bill S-7, respecting the National Dental Examining Board of Canada.

Motion agreed to and bill read third time and passed.

BANKING, TRADE AND COMMERCE
LEGAL AND CONSTITUTIONAL AFFAIRS
NATIONAL FINANCE

MOTION TO AUTHORIZE COMMITTEES TO MEET DURING SITTING OF SENATE—MOTION WITHDRAWN

On the Order:

That the Standing Senate Committee on Banking, Trade and Commerce, the Standing Senate Committee on Legal and Constitutional Affairs and the Standing Senate Committee on National Finance have power to sit while the Senate is sitting on Wednesday, 13th June, 1973, and that rule 76(4) be suspended in relation thereto.—(Honourable Senator Flynn).

Hon. Mr. Flynn: I have nothing to say.

Hon. Mr. Langlois: Honourable senators, as we agreed a few minutes ago not to sit tomorrow, this motion has become useless and I beg leave to withdraw it.

Hon. Mr. Flynn: Honourable senators, I am sorry that Senator Goldenberg and Senator Everett are not here. They would have agreed that they should have waited until tonight to make the protest they made last Thursday.

Motion withdrawn.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

The Senate resumed from Thursday, May 31, the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.

Hon. George McIlraith: Honourable senators, in resuming the debate on the inquiry of Senator Croll, calling the attention of the Senate to the urgent public need in Canada for Senate reform now, I find myself a little bewildered as to where to begin. Today I looked again at Senator Croll's remarks and was struck first of all by the language he used. It troubled me a little and I shall raise that point right now. I refer to page 316 of Senate *Hansard* of Tuesday, March 13. It is very interesting. The inquiry is:

> That he will call the attention of the Senate to the urgent public need in Canada for Senate reform now.

Well, I was struck by the word "now," because it has been my view that the Senate has needed reform from the time of its inception, that it will continue to need reform, and it will indeed be in trouble if there ever comes a time when it does not need reform in the eyes of its members. So I think the need for reform is continuing and continuous as distinct from some action taken at a particular time to solve a problem for a length of time.

What really intrigued me a little more was "the urgent public need in Canada for Senate reform now." I can only view any question of Senate reform as part of a larger question of a need for parliamentary reform. It is parliamentary reform that is needed. Senate reform, yes, but Senate reform within the context of parliamentary reform and only as part of the total process of that parliamentary reform.

Parliamentary reform is undoubtedly one of the great public questions that ought to be and is, I believe, concerning the citizens of Canada today. I refer here to all those persons who have regard for their freedom—their own, individual freedom and liberty—and regard for the protection of that freedom and the means of deciding, by themselves through the democratic process, how the country should be developed in the longer term.

I can say quite openly and directly, because I think it is a fact quite well known, that it is a matter of considerable regret to me that in the last few years of my occupancy of a position, which I at least highly prized, as a member of the House of Commons, it was not my particular function or role to have a part in trying to bring about parliamentary reform in that chamber. There have been changes over the last few years in the development of scientific processes, of industrial processes, of the enlarged concept of individual attitudes to human rights, of the enlarged concept of the responsibility of the state in the field of social security, of the enlarged concept of individuals in the country on the protection of individual human freedoms, and of the enlarged concept of freedoms of groups and segments of the population. All these concepts in the public mind have changed and developed with startling rapidity—such rapidity as almost to bewilder the human mind. And yet, in that context I, for one, have questioned whether we have addressed ourselves to so reforming our parliamentary processes as to serve the needs of the public or the people of this country.

That problem, as I say, caused me a great deal of concern during the last few years, and it is a matter of regret to me that it was not my particular role during that time in the other place to help in its reform.

Such things as servicing the amount of legislation required to be dealt with by Parliament each year have not received the attention they should. Of course, in the democratic parliamentary process we must always guard the rights of all honourable members, whether in this house or in the other place, to express their points of view on the proposals of government. We must always use these measures to check the powers of government. But, honourable senators, having said that, surely we must also ensure that governments are afforded the right, after full discussion and after the rights of the members of Parliament in both houses to examine and debate bills fully are protected, to have a decision taken by Parliament. That aspect of the parliamentary process has not been adequately dealt with in the requirements of the present age. To say that it was not necessary to have any such procedure when Parliament dealt with only a few bills each year is not sufficient. The procedures of the day and age when governments were only participating, or meddling, whichever term you wish to use, in the affairs of the members of the public in a very limited way, are not adequate to service the vast volume of legislation that requires the attention of Parliament today. These are things that concerned me greatly, and they are questions that ought properly to concern any parliamentarian whether in the other place or here.

● (2020)

In this chamber that concern takes a little different form. Here it is a question of lack of notice and lack of government bills originating here which causes concern. The problem has a different form in the two chambers, but it is really the same problem.

But parliamentary reform, considering all the vicissitudes and problems involved in one form or another in a modern parliamentary system, has not received the action it requires in the rapidly changing society of the last few years. Senator Croll in his remarks approached it in a very modest way.

Now, Senator Croll, I shall address you directly. I have known you for a great number of years, ever since I started in law school—and I don't tell how many years ago that is now—but in the opening sentence of the second paragraph of your remarks you say:

> You may ask, as you have the right to ask, what gives me the idea that I have the qualifications to dispense advice as well as wisdom.

Well, Senator Croll, for the life of me I don't know what gives you that idea. I know that you have a great deal of experience in this field, and I have the naïve idea that some persons in government, when they summoned you to this place, thought they were summoning you here to get the benefit of your ideas and wisdom. So, I do not think you have to be hesitant or shy, or that you have to apologize to anyone for bringing forward either the subject or the ideas you have on it. Mind you, I reserve the

right to think that some of the ideas are wrong, but I do not for the life of me question your wisdom in bringing them forward. I am glad you brought them forward, and I hope that you may share some of the ideas or some of the views that I may express this evening, whatever they might happen to be.

Later, Senator Croll, you used a very colourful phrase when you said, "reform or perish." On hearing that I was almost ticking you off. In this place we do not interject, as was my habit over a great number of years in the other place, but with great deference I do not agree with you on "reform or perish." I do not want reform merely to prevent perishing. To me that is a negative concept, and I do not like that kind of negativism. My view is that we should reform so that we can better play our part in the total parliamentary process, so that we can do it in a way to bring about better results, and make a greater contribution in the perfection of the parliamentary process. It is for that reason, the idea that reform of the processes of Parliament itself will better serve the needs of society and the country at large, that I want it. I have some curious views, but I am not sure that we have to decide whether we perish or do not perish. I will not accept that proposition.

As I said earlier, modern government is linked up with the daily lives of our society in a way that I am sure no parliamentarian, even as recently as 15 years ago, ever visualized. I have seen that change come upon us with such rapidity that very few of us have fully grasped its significance. Certainly I find that it taxes my capacity to fully evaluate and assess it, and adapt myself to it.

For instance, if in this chamber 15 or 20 years ago a senator had told me that we would have men walking around on the moon, that I as a parliamentarian would be talking with a man I had seen on television in outer space, or with the next group going to the moon, well, I know what I would have said about that senator. I would have made similar remarks to those made now sometimes regarding senators by people who speak and do not think. However, that is how rapid the whole concept has changed. This also applies to the concept that we would watch by television a man suspended in outer space, in an area in which there is an absence of atmosphere, with all its implications with respect to life.

Yet have we adapted our parliamentary procedures since this revolution has come about? I select only this one example to make my point. I could go through the whole strata of technology and science for illustrations in support, but perhaps this one example is sufficient to make the point.

Then what is this process of adaptation that is needed? How are we to meet these increasing demands? What should we be doing now? As I said earlier, we should be working continuously and continually at this as a process that is ever going on.

I suppose one can make certain personal references. I can follow your precedent, Senator Croll, but during my experience in government I have had some opportunity of coming into working contact with governments in quite a few other countries, in common with all other honourable senators. As I thought of this this afternoon I suddenly remembered that all honourable senators here came into this parliamentary process at the same time or after I did. In any event, you must have experienced this, as I have in great measure.

At one point I had responsibility for the Colombo Plan; at another for the foreign trade service of Canada. From my experience in one position or another, I have come to the conclusion that our democratic parliamentary process is the best process of government now available and practised. It is the one best able to secure the liberty of the individual. In my opinion, we sometimes take it for granted. The necessity to secure our freedom and to extend it is taken for granted. So many of the battles to secure it were fought in more colourful form a great number of years ago that we now forget our need to protect and enlarge it is still ever present. I believe that our process is the best for safeguarding our rights and liberties.

● (2030)

But having said that, I am not unmindful of the need for constant attention to reform. I am in no way demeaning or lessening the need for constant reform, both present reform and continuing reform.

There is something that irks me a great deal these days. We have entering Parliament now a group of parliamentarians educated under a new process, namely, in the political science faculties of our universities. It is current practice to be so respectful of universities that we vote unlimited money for them, whether privately or publicly, and we do not always examine what is being done with that money.

A consequence of the extremely rapid expansion of political science faculties is an insufficient flow of teachers trained in parliamentary procedures as we know them in this country. We now have a group of government employees and, indeed, some parliamentarians, who have been taught that government is a science instead of an art, which it is in fact. Because their teachers have been trained in central Europe or in the United States, they are experts in the parliamentary systems that pertain in central Europe, mainly socialist systems, or in the United States congressional system but not in the British or Canadian parliamentary system. When their graduates are interviewed—as I myself interviewed them on many occasions before coming to this place—they are found to be remarkably innocent of what I would call, to use a simple term, the Canadian parliamentary system or the British parliamentary system. The consequence of this is rather frightening. It has been done innocently, by able men with good motives and good intentions, but nonetheless it is demonstrably damaging to the freedoms of individual Canadians.

For that reason I have had the temerity to mention the subject tonight. I hope it will receive attention in academic circles, together with the many other problems which demand their attention these days. I am sure that if they examine the problem objectively, steps can quickly and easily be taken to improve the situation. I am sure that those concerned are totally innocent of having intentionally brought about this harmful consequence.

The guarantee of individual rights rests ultimately on the daily answerability of our government to members of Parliament. We are apt to forget this, but surely we should not forget it these days when, on television, we are able to

watch certain political events that are in progress and which are thrust upon us. We must value the importance of having the government answer daily to members of Parliament on what it is doing and why.

Sometimes when I enter the other place—which I love to do, because I very much respect the other place; let no one have any illusions about that—I become impatient when I see a question period becoming rather confused and, shall I say, not well used. There are various adjectives that I could use, and they might not be very kind.

Hon. Mr. Flynn: I know what you are talking about.

Hon. Mr. McIlraith: I am tempted to become very critical of the use being made of the question hour in the other place, but I remind myself that the very thing that is being done, making the government answerable to members of Parliament, is the ultimate protection—I was going to say the only protection, but that is perhaps an overstatement—we have for freedom as individual Canadians.

Hon. Senators: Hear, hear.

Hon. Mr. McIlraith: I then quiet myself and become more tolerant and reconciled to what I thought a moment earlier might have been clumsy use of that hour.

Hon. Mr. Flynn: Remember the good old days when the government leader was the saviour of the freedom of the people.

Hon. Mr. McIlraith: I will not digress by getting into that subject, because I myself cannot claim to have been above putting in the needle on occasion. However, it is a valid point.

Hon. Mr. Flynn: Indeed.

Hon. Mr. McIlraith: Let me deal with Senator Croll's inquiry. I am coming back to the honourable senator a great deal. I am doing so deliberately, because the honourable senator started this thing, and it is very good that he did. He went on to enumerate 12 points. Had we been in the other place, the honourable senator would have been heckled a little on one or two of them, but that would not do here, so I kept quiet. However, the 12 points are very interesting and I commend the honourable senator for bringing them forward.

I will commence with point number one:

> 1. The present absolute veto power of the Senate over all legislation should be reduced to a suspensive veto for six months according to the following formula—

Senator Croll then set out the formula, which is a very good one, if one accepts the proposition. I do not accept it, because already there is an absence of a right to legislate or originate money bills, and so on.

It is quite clear that the Senate would claim to permanently overrule the Commons on money bills or on some great policy matter that was an issue in an election, where there was a mandate from the people. I doubt whether any honourable senator would suggest that.

But bearing in mind our recesses, our system of elections called on advice to His Excellency the Governor General, it may well be that a fixed period of six months is not desirable. I disagree with the honourable senator on that rather overregulated procedure, because it does nothing to improve the parliamentary process, and adds nothing to what we already have. That is not an area in which we need reform. In my opinion the amendment would diminish our capacity to make our maximum contribution to the legislative process.

Senator Croll goes on to refer to such things as the number of senators. The number of senators was fixed at the time of Confederation, subject to change when new areas elected to join to Confederation. I am not greatly concerned with that one way or the other. With the changes in population, it undoubtedly requires some attention. However, it is not a major problem today. We should develop it and get on with it.

● (2040)

Senator Croll then talks about compulsory retirement. I have never fully accepted that philosophy. From my long experience in watching civil servants being arbitrarily retired, I have never accepted the philosophy that retirement is something which should be determined by the calendar. I do not think of that area as being particularly important. However, coupled with that there is the rather interesting suggestion that there be the right to retire. I do attach some importance to that.

It is a peculiar thing, but some of my colleagues in the other place—I am not certain whether they were there in your time, Senator Croll—came into their full maturity and ability in Parliament and, in my opinion, made their maximum contribution to Parliament when they were in their eighties. Two of them, while in their early seventies, 70 to 72, were not at their peak. When I think of what would have been lost by way of their experience and contributions to the parliamentary process by arbitrarily throwing them out at that stage, I am not enamoured by this suggestion. I do not feel that it would be a change of any significance whatever. I do not wish to get into specific names.

I am afraid I like to discuss Parliament and parliamentary reform. Only the other day I had the suggestion made to me that there was a danger of the other place being confronted with a problem because members are now eligible for election to that place at 18 years of age, before they reach the age of majority as we regarded it up until only two or three years ago. The problem arising out of that would be the danger of an abnormally large percentage of members coming into the parliamentary process without any experience whatever in having earned a living or having come in contact with society other than as a student, maintained in school by other persons. From that I only deduce that what is required in Parliament is an active participation of active men and women in full capacity, regardless of age or lack of age. When I was elected to Parliament they said I was too young. I was ten years older than several of the younger members in the present House of Commons. The whole campaign against me was that I was too young. I can only say, of course, that thank goodness I was regarded as too young, or I could never have stood it over the years. In any event, time corrected that very quickly.

Hon. Mr. Flynn: It always does.

Hon. Mr. McIlraith: I do want to use the point to illustrate my lack of enthusiasm for these arbitrary rules, what I would almost call petty rules, regarding the calen-

dar. I do not think the calendar is the most effective evaluation process. I have seen this proved many, many times in the Public Service of Canada. I have not forgotten the men and women who were called back during the war years and who did so much in the productive efforts during those years when the government had the greatest stress put on it of any government since Confederation.

The speech continues—and here you really shock me, Senator Croll:

> The Speaker, the government leader and the opposition leader should be elected by the members of this house: the government leader by the supporters of the government; the opposition leader by non-supporters of the government.

I do not claim the right to participate in choosing the Leader of the Opposition—

Hon. Mr. Flynn: You have no experience, anyway.

Hon. Mr. McIlraith: —but I do wonder, because you follow this up by attaching so many rules and limitations to it, whether or not we have any freedom of choice. Are you not subtly taking away our freedom of choice? Coupled with that, you say, and I quote:

> The government leader and the opposition leader in the Senate should serve for only one Parliament and should not be eligible for re-election subsequently.

Well, we have had Parliaments lasting as short a time as ten months, most notably the 24th Parliament in 1962. Are we to take it that an able man on the government side or an able man on the opposition side, because he was Leader of the Government or Leader of the Opposition in the Senate, shall not serve the Senate in that capacity any more although he, undoubtedly, is the ablest man in the Senate, merely because he served for ten months?

I have not yet had anyone tell me the date of the election in the present Parliament. I do not know it. Perhaps you have better information than I, but I do not think I will be told about it, and perhaps it is better that I am not. That type of regulation or restriction does nothing to advance reform of the Senate. It does not get at the root of any problem. It contributes nothing to reform.

The eighth point put forward by Senator Croll is that the Leader of the Government in the Senate should not be a member of the Cabinet. Well, I served with the Leader of the Government in the Senate while I was a member of the Cabinet. I must not tell you what went on there, but I can tell you that we did not always have identical opinions on all subjects. There is no way in which I can see, with the present concepts of developing legislation—the drafting of the legislation, approval by the government and preparation by the government for submission to Parliament—that this place can be properly informed if we do not have the Leader of the Government in the Senate representing the Senate in the Cabinet. I may have some quarrel with him as to his not being vigorous enough or being too vigorous, as the case may be, but for him not to be present at the cabinet table, and this place operating in limbo out on cloud 9 is, to me, unthinkable. The Leader of the Government in the Senate, in my view, has to be a member of the Cabinet.

There was a situation here some years ago which troubled me greatly at the time, when the government leader in the Senate was not a member of the Cabinet. That troubled me, and I think both the Senate and the government were the poorer for it. There is a constant need for the feed-in in government, in Cabinet, of the ideas and information from this place and what this facet of the government process, the legislative process in Canada, the parliamentary process, is thinking and doing.

I for one, for what it is worth, want to see the rights of the Leader of the Government in the Senate strengthened, not weakened. I would even go so far as to make the following suggestion. This is rather frightening to many, and I am afraid I am in danger of being misunderstood on it. In the days when each member of the Cabinet had responsibility for the administration of a portfolio, I never suggested it was proper practice to have senators hold those portfolios. However, the Government Organization Act, since the last amendments to it, has a new provision that has not been sufficiently taken account of. It is a rather new departure in the formulation and development of government in this country. Roughly, it provides for the appointment of ministers of state who are not administering a department as such. The Science Secretariat is an example. It is just possible that we ought in this place to have one of those ministers of state with a secretariat, or one of the ministers without portfolio, with particular responsibilities developed under that new breakthrough in the process of government, as well as having the government leader here as a member of Cabinet.

● (2050)

When I was government house leader in the other place, my complaint about the former Leader of the Government in the Senate was that there were days when we were dealing in Cabinet with legislation and how to handle it when presented—I will say something about the presentation of legislation later—and when, of necessity, he was not there but was on proper parliamentary business. The Cabinet now comprises some 30 or 31 members. It may have been different when there were Cabinets of 16, 18 and 20, but when there are now approximately 30 members of the Cabinet, from which number I do not see any receding, I think a method should be worked out of having in Cabinet not only the Leader of the Government in the Senate but also another member of this place. It may well be that is the direction in which we should be looking. I say that fully consistent with my firm view that those ministers administering portfolios ought properly to be in the other place, where they are answerable to the elected members of Parliament rather than to the members of Parliament in this place. I hope Senator Croll will forgive me for differing with him slightly on that point.

I am aware of the possibility of theoretical conflict of interest between the role of the Leader of the Government in the Senate and that of a Cabinet minister with collective responsibility. That does not trouble me all that much, because by the time a person has served in Parliament long enough and becomes government leader in the Senate he has developed the maturity that can handle a theoretical problem like that in a fully adequate way.

I will not refer to some of the earlier government leaders in the Senate, but I remember well in my early years in the other place, when each night at five to eleven I would have my back thoroughly prodded through the curtain and

asked by a voice with a slight accent, "George! George! What did you get done today? What are you doing tomorrow?" Where was that news coming? It was coming to this place by means of one of the most distinguished leaders there has been here. The contemplation that he would not have been in the Cabinet of this country, with the influence he had from this place in those difficult war years, is one that frightens me.

I could go on with these points, but were I to do so I would deservedly earn the boredom of honourable senators more than I would wish to. The subject is a long one that requires a great deal of continuing attention. There are several aspects of it that have come through the speeches so far. There are the aspects that have to do with legislation of a constitutional nature, or amendment of the Constitution; there are the aspects that are related only to our internal measures here in developing the rules of this place; there are those parts of parliamentary reform that relate only to the standing orders of the other place.

I am quick to recognize at once that we must not presume to interfere with the standing orders of the other place; they affect that body, and they are the prerogative and privilege of the members of that place, and them alone. However, I must point out that in dealing with the subject in its broader aspects there may be a need for reconciliation of our rules and their standing orders in a way that better serves the common interest of both Houses of Parliament. I recognize the delicacy of that subject and the need to tread lightly, but I believe that you do not tread lightly if you merely conceal it and fail to expose it for consideration.

If I may move into some of the subjects in a more particular way, let me deal at once with what has been said in this debate about the use of committees. I admire and respect the work done by two or three of the special investigative committees of this body. Having said that, as I collected together the reports of the debates on this subject I became alarmed at what I detected as a carelessness about the real role of the Senate. In our enthusiasm to commend the extraordinarily good work done by two or three of these committees on special investigative work, we overlooked the fact that the main role of this body in Parliament is, and must remain, its role in the legislative process.

The work done by these committees of an investigative nature must not become major to the point of being almost the sole work of this body, because when that happens this body would become nothing more nor less than a group of persons—I was going to say bureaucrats, which is perhaps too harsh—who could equally well be maintained on the staff of government in one office or another, the Privy Council office or something like that, to take any assignment and do the work now done by task forces, only doing it a little better, or do some of the work done by judicial royal commissions, which I think must not be totally supplanted, or other similar roles. We can very easily slip into that if we are not far-sighted. I hope we will continue to use committees intelligently for this purpose as the need arises, but use them knowing what we are doing.

I have been struck by another aspect of this. These special committees have had very good staffs, special assistants of one sort or another. In our enthusiasm for this, have we overlooked the resources we have in this body, in our committees branch? Are we paying sufficient attention to it? I am not sure that we are. I question that. Since coming here I have not been confronted with staff explaining to me the need to cross-examine this or that witness, or the need to bring this society, company or person before a committee. Indeed, when I raised the question the other day in a committee dealing with a piece of legislation—very good legislation—to extend the authority of a professional body over the assistants to that body, we heard only the views of the professional body itself. There was no opposition. I am convinced that the hearing was carried out in good faith, but my point is that no committee clerk informed the chairman of the committee that the persons who were being brought under the control of the professional groups were entitled to be heard. These people were not advised that the committee was sitting, or that they had a right to come forward and be heard. This was not drawn to the attention of the chairman of the committee. When the question was raised in the committee itself and when this was drawn to the chairman's attention—by the way, the group concerned had no objections and no subsequent harm was done—there was no realization that this notice should have been given to protect the rights of these groups. Their rights were being well served by the legislation; nonetheless, they have a right to be heard and that is important.

● (2100)

Honourable senators, I am not a member of the Standing Senate Committee on Agriculture. It was a wise move to appoint such a committee, since agriculture has not been receiving enough attention in this Parliament. However, what do we find? Occasionally I attend meetings of that committee to hear various groups. Agriculture, as other industries, has become very complex. There is complex federal and provincial marketing legislation, with tremendous marketing expertise in the Canadian Wheat Board, and so on. Important constitutional questions arise continually in these committee discussions. But, what expertise was that committee given from our committees branch? Have we developed, instructed and trained our committees branch adequately to serve the committees of this house? In our zeal to arrive at powerful statutory reforms, I wonder whether we may not have overlooked some of those things which are within our own capacity, which can be done easily and swiftly and which ought to be done.

Honourable senators, I regard the legislative work of our committees as a very important part of our work. It has been superbly done. Having been through some of the earlier stages of the tax reform proposals, including the white paper and some of the other aspects of that legislation, I cannot but feel a tremendous debt of gratitude and appreciation for our esteemed and very good friend Senator Hayden, for his resourcefulness, sheer ability and expertise in bringing about some improvements to that proposed legislation. I have nothing but respect and admiration for that. That kind of work is something we should seek to continue and develop and expand.

Honourable senators, that brings me to the logical question, that we must look to getting more legislation to originate in the Senate. Sometimes I hear the Leader of

the Opposition get very cross and rely on some rules I do not like, demanding two days' notice for some petty bill we have known about for some months and which has been discussed in the other place. Perhaps we should be able to bring a bill before the Senate in advance of its going through all stages in the House of Commons. We must be given the opportunity to give better consideration to such legislation, to examine it and to air our views on it. In that respect, sometimes I almost feel like joining the Opposition, but I do not dare suggest that lest they retort immediately that they will soon change places anyway—and I can assure you I would not wish them to do that.

In any event, the struggle I see taking place and finding expression so often, sometimes irritatingly, in an attempt to arouse or bemuse, must confuse all honourable senators. But, whatever its form, it arises from the need in the Senate to get more legislation before it, and to get that legislation at a time which permits its proper consideration, and not on the eve of prorogation, adjournment or recess or whatever.

Honourable senators, I come to that old and much debated question of sections 53 and 54 of the British North America Act. Section 53 reads simply:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

No one quarrels with that provision. The elected parliamentarians may claim the responsibility in regard to that section. I certainly have no quarrel with it.

Section 54 says:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General—

I certainly would not advocate that we get that authority, yet there is a volume of legislation now affecting the rights of people, industries and business that is positively staggering. When I first became occupied with the law, the Revised Statutes of Canada were in two volumes; the next revision took up three volumes; they now require ten volumes, plus four supplementary volumes, to a total of fourteen. There is no way an efficient government can have that legislation serviced under the present parliamentary practices and procedures. In addition to new legislation on new policies in new fields, it includes much legislation that, while very important, is of an internal housekeeping nature, bringing legislation up to date with current administrative practices, or meeting new changes in the techniques and developments in certain industries, or things of that nature. There is no reason why such legislation should not be introduced in this place where, in my opinion, it could be much better serviced. We had a fine example of that this year in the pilotage legislation—and I commend my colleague Senator Langlois who presented that legislation, and the Leader of the Opposition in the Senate.

An Hon. Senator: *Tu quoque.*

Hon. Mr. McIlraith: There is much of that type of legislation, legislation which needs minor petty reforms and housekeeping amendments, and which is not getting them.

• (2110)

It is not getting it, and the consequence of not getting it is working injustices on a great many Canadians. And yet it is not getting it because we have not developed our process to have it primarily dealt with in the Senate, and then sent to the other place.

This subject has been developed many times. I think the joint committee of 1968 made a comparison between the number of government bills initiated in the Senate and the number initiated in the Commons. It is rather interesting to note that in the ten years from 1957-58 to 1967-68 the percentage of total bills initiated in the Senate rose from a low in one year of 4 per cent to a high in another year of 42 per cent. We should concern ourselves with this area, and work directly to have more of this legislation initiated in the Senate.

That is one of the reasons why I want our government leader kept in the Cabinet; and I want the right to prod him to be even stronger there. I want assistance for him there.

That is the reason why we should look at our rules a little more carefully. Indeed, we should look at those rules of the House of Commons that directly affect our procedures in dealing with House of Commons bills coming to the Senate, in order, with great temerity and respect, to ask them if they could adapt one or two of those rules a little bit, without in any way infringing their privileges, so that our work would better complement their work to the end that both Houses of Parliament would make a better contribution to the parliamentary procedures.

I realize I have spoken much too long, but even so there are many other points I should like to deal with. I would really like a discussion of this subject, if it were possible or practicable, but heaven forbid that at this hour in these circumstances it should take place now. Nevertheless, there are many other rules we could look at.

I suppose as a newcomer I can mention some of the things that trouble me greatly. When I was going through Senate *Hansard* today I read complaints about lack of information coming out of this place through the media to the public, and lack of support from the public. Honourable senators, for the life of me I cannot understand how such complaints can be made when by sitting at two o'clock in this chamber every day we compulsorily reject the attendance of the many members of the press gallery. Any member of the media, if he is really worth his salt, knows that he ought to be in the other place at two o'clock, at which time some elected member is seeking to put a minister on the spot.

Well, I leave it with you. It makes no difference to me, but for the life of me I cannot understand why we complain about lack of public information and reporting when, in effect, we compulsorily debar these men and women from coming to hear and to see what is going on in this place.

I have another thought. I sometimes hear such complaints as: "We know nothing about this bill. We are suddenly confronted with it for the first time tonight at eight o'clock. We must not start debating it tomorrow on

one day's notice. That is a horrible thing to do." But I remember that "that bill" was the subject matter of several questions on the Orders of the Day in the other place, and was the subject of a month's debate there.

I like to go to the other place and sit in the galleries on the Orders of the Day when there are special announcements forthcoming. I find that very useful as a parliamentarian. Yet we debar ourselves from doing that. Why? What is the reform proposed with respect to that? Do we need reform on that subject or not? I don't know. I do not find anything magical about the hour of two o'clock for a meeting here. I am not sure but what I could use a half hour or hour better in the other place, and come here at three o'clock. I do not mind staying late, as you will have seen tonight. These are the kinds of things we must ask ourselves, not someone else.

There are many more of such matters we could proceed with. Senator Laing—my colleague here and in the other place, sharing the responsibility of government together for so many years—each week spends 16 hours travelling from that lovely city of Vancouver to the Senate in Ottawa to do his duty for two and a half days. That is 16 hours a week that he spends in travelling. Well, I know him. He is an awfully hard worker, and I tell you that I know enough about the value of his opinions and his research, his work on public issues in this country, and the experience he has had in Cabinet, to know that some of that time could be better spent working here or staying in Vancouver than in travelling. I cannot see any sense in spending 16 hours a week travelling to come here for two and a half days' work. We would do much better to leave him among the people he knows so well in Vancouver, in that rich and tremendous province of British Columbia, when we haven't much work here, and we would do much better to bring him here from Sunday night until the next Saturday when we have work. In other words, he would not spend 16 hours travelling here each week for two and half days' work. He would spend that amount of travelling time for each full five days of work.

I could say something about the situation respecting senators from the Maritimes, but I will let our colleagues from that part of the country tell in their own language how much of their energy is wasted on that eight hours of travel twice each week for two and a half days of work. You know, the people who tell you that it takes nothing out of them are just not aware of what is happening to them when so much of their time is being wasted.

Is that Senate reform? It is so trivial I hesitated to mention it, but then I decided that if we are to get any action in the whole subject of reform we had better start mentioning some of these things that some would label as trivial, because I do not believe we can afford to waste whole gobs—two working days—of many honourable senators' time each week for a silly practice of meeting for two and a half days a week instead of five days when necessary, and no days when not necessary.

What I have sought to do is to indicate where I regard the areas of reform are in the legislative field. I am not much enamoured of having members of provincial legislative bodies, elected to deal with classes of matters falling within provincial jurisdiction under the B.N.A. Act, appointing senators to come here to deal with those classes of matters under the federal responsibility. That to me is monstrous. If such a suggestion has to be made it must be that the federally elected members in the province would make that designation or choice.

I mention that rather to indicate that there has been too much attention given to what are regarded as reforms but which are merely changes that do not improve at all, and too little attention paid to changes that improve but which may be much less picturesque to express in language, or much less readable in the newspapers, or much less capable of a short, concise news form on the television and radio.

Well, we have the legislative field; that needs our attention. We have also the area of our own rules within our own exclusive control needing our attention. We have in addition to the area that is peculiarly and particularly related to the Senate, the delicate area of the practices of the House of Commons needing attention. It may well be that we should ask the government leader in this place to take up with his Cabinet colleague who is the government house leader in the House of Commons, in a detailed, thorough and precise way, measures that can be placed before the committee on procedures that is dealing with amendments to the rules of the other place. One or two of these rules are being interpreted in a way that rather puzzles me. I have in mind the decision given in that place today. Perhaps that can be done in a way that does not entrench on their privileges.

● (2120)

It also remains clear that we have to have, through a strengthened government leader in Cabinet, a stronger and firmer decision of government to seek to initiate more legislation in this house. There are several devices for doing this. I remember the debates in 1966 and in 1968, and I remember that some of the methods suggested from time to time have been good, although some have also been bad. But the point I wish to make is that they should be explored in a thorough, active way, and that is a task for the Senate in conjunction with government, because this suggestion concerns government legislation.

I have not developed the process of how legislation is originated and created—and here I am speaking of government legislation—and the process through which it goes before it ripens into a bill presented in either house. It is too large a subject for discussion here this evening but, in my view, it is a matter that must be pursued. This might involve the Leader of the Government in the Senate calling on the Leader of the Opposition in the Senate and, Madam Speaker, if I may have the temerity to suggest it, the Speaker of the Senate to go with him to certain pre-arranged meetings.

Honourable senators, I hope that Senator Croll has thought through and will have ready some suggestions as to the methods we might use to achieve the reforms in all the areas I have sought to deal with; if not in all, then at least in those with which we can deal at the moment. Let me say that over the years I have found that, in matters of reform, if you persist in following the direction in which you wish to go, and if you set yourself on that course, and if you are content to take the matter step by step, you will find that in a remarkably short time you will have accomplished your objective.

I hope, honourable senators, that my remarks tonight have contributed something to what will develop an improved parliamentary machinery to serve the interests of the Canadian people.

On motion of Senator Langlois, debate adjourned.

CANADIAN NATIONAL RAILWAYS

LOSS OF AND DAMAGE TO MERCHANDISE—INSURANCE PAYMENTS AND DISPOSAL—INQUIRY ANSWERED

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

1. How much did the Canadian National Railways pay to insurance companies to cover loss of and damage to merchandise in transit by road or railway during the years 1970-71-72?

2. How was the damaged merchandise disposed of, where and by whom?

Hon. Paul Martin: Answered.

1. Nil

2. The practice of disposal varies from region to region. Strict control is maintained of disposal by selling to various salvage dealers on bid or on predetermined prices. Some sales are made by auction depending on values and quantities. Certain items are disposed of within the Company to interested departments and charged with an amount equal to the top outside bid. To a lesser degree damaged goods are disposed of to employees when shippers have expressed the desire to keep their products off the open or retail market.

TANZANIA, KENYA AND SOUTH AFRICA

VISIT OF CANADIAN BUSINESSMEN—DEBATE ADJOURNED

Hon. Donald Cameron rose pursuant to notice:

That he will call the attention of the Senate to the recent visit of a group of Canadian businessmen to Tanzania, Kenya and South Africa.

He said: Honourable senators, I shall trespass on your time for perhaps ten or twelve minutes to introduce this subject, and then I shall move the adjournment of the debate.

May I say it is with some diffidence that I present a brief report on the eighth annual tour of a group of Canadian businessmen to an interesting part of the world, one with which we are going to be involved to a greater extent from now on. This year's tour was organized, as others have been, by the Alumni of the Banff School of Advanced Management, and included senior business executives from Ottawa to Vancouver. I might say that on this occasion, as on previous occasions, we had one or two senators along. Our esteemed Speaker has been on a number of these trips and for that purpose we make her an honorary member of the alumni. Senator Benidickson has been on two trips. We were very happy to have them, and I think they found it a useful opportunity.

The group of which I speak spent nearly four weeks on a trade and fact-finding mission to the countries of Tanzania, Kenya and South Africa. This trip followed a series which has been exceedingly valuable, both from an educational and informational point of view. Probably more importantly from a Canadian business point of view, they have all resulted in the expansion of trade. The request to organize these private, unofficial missions originated with the alumni of this business school in 1964, and the first trip resulted in 134 Canadians going to Japan and China in 1966, the largest private group to go into China after the revolution of 1949 up to that date—1966. I like to think that the friendly attitude of Canadians, the persistence with which they explored avenues of trade and the contacts they made have had a beneficial effect on the good relationships which have developed between Canada and China in the years since 1966.

In 1967 a similar group, smaller in numbers—55 on that occasion—went to Russia, Poland, Czechoslovakia and West Germany. Again, they visited industrial plants, government offices, communes and major industries in those countries. In 1968 the group went to the Caribbean area of the Bahamas, Jamaica, Trinidad and Tobago; in 1969 to Greece, Turkey and Israel; and in 1970, while the intention was to return to China, permission did not come through in time, and we went instead to Malaysia, Thailand and Japan for Expo. In 1971 the tour was cancelled, and in 1972 the group returned to China and Japan. I think that without question the 1972 visit to China was one of the most valuable, both from a personal and from a Canadian point of view, of any of the visits we have made so far. Our reception by the Chinese was one of warm cordiality and we were given the opportunity to visit Chinese industrial plants, housing estates, communes, educational institutions, and in general to get a pretty fair cross-section of life in China, from the southern border to north of Peking.

● (2130)

The 1973 tour was to Africa. Not a single member of the Canadian group had ever been in Africa before. This seems to suggest that possibly more attention should be paid by Canadians to this tremendous country, which is undergoing a rapid expansion and transformation from a primitive state to, in some areas, a highly industrialized area.

In planning the trip to Africa, a selection was made deliberately to provide the greatest variety in governmental systems. As a consequence, we decided to visit Tanzania first, a black-controlled socialist state of approximately 13 million people, occupying 363,000 square miles; then to go to Kenya, a black-controlled free enterprise state with a population in excess of 10 million, occupying about 225,000 square miles; and finally, to visit South Africa with a population of 22 million and occupying 472,000 square miles. The population in South Africa, which represents one of its major problems today, is made up of 16 million blacks, two million coloureds, and four million whites. It is in the disparity between blacks and whites that the tensions in this fascinating, rich and diversified land arise at this time.

The Canadian group that went to Africa included representatives of the forest industries, the electrical engineering industries, retailing, oil and gas, real estate, farming and ranching, and education—altogether, a well-informed, responsible group of Canadian businessmen, and some wives, who were interested in exploring this great conti-

nent which has so much potential for the future and which also has explosive potentialities.

Canada has a great interest, particularly in the developing countries of Tanzania and Kenya. At the present time Canada has a number of projects in Tanzania, and when I tell you that the average per capita income in that country last year was $70, you will realize the uphill battle that the government of that country has in developing its economy. Ninety-three per cent of the people are living in rural areas. There are 110 tribes occupying the country, but we were told there are presently no tribal problems of any significance in Tanzania, in contrast to Kenya. There are no major religious difficulties. More than half the population are Moslem and the balance are Christians.

Honourable senators, I want to spend a few minutes on Tanzania, and then I shall adjourn the debate. Tanzania has a long history, but it may interest you to know that no one in that country had a vote before 1954. One of the most fascinating discussions I have heard is entitled "The Evolution of Democracy in a One-party State." We sometimes think it is terrible that 11 of the countries of Africa today are under military dictatorship. However, we must use a different yardstick in evaluating the functioning of democracy in these developing countries and the functioning of democracy in older-established countries such as ours. In other words, with the limited experience and background of these people, the only way in which they can function with any degree of efficiency in policy is to have some form of authoritarian rule and hope that they will evolve toward a democratic system as time goes on.

To take Tanzania as an example, the country was under Arab influence from 1832 to 1884 and from then until 1920 under German domination. From 1920 to 1946 it was under British trusteeship. While I think the occupying powers, whether British or others, did a good deal for these countries in laying at least an elementary industrial base in parts of them, nevertheless there was a lack in all these countries of any attempt to educate the people and bring them out of the trees into the twentieth century.

The people of Tanzania organized their country under what is known as the Aruasha Declaration of 1967. This is a document which established the program which they term democratic socialism in Tanzania. They make a great exposition of the fact that this is a country where they emphasize equality, that no one has advantage over another. It is very interesting indeed to compare what is happening in this black-controlled socialist state and the black-controlled free enterprise state in Kenya. I will continue with that when I complete this discussion at the next sitting.

Ninety-three per cent of the population of Tanzania is rural. The total working force in the industrial areas is only 500,000 out of 13.5 million, the rest depending on agriculture, at a very low level. To deal with the agricultural policy, a system known as Ujamaa was introduced. The Ujamaa village is a collective farm very much along the lines of those in Russia and China, with a division of labour and specialization. They have organized, patterned after Canadian and American experience, an extension program to upgrade the quality of farming. Each extension man serves 1,500 farmers, while the United States ratio is one extension man to every 200 to 300 farmers. In my opinion, however, they have done remarkably well in the short period of time since 1958. Fifteen per cent of the rural population now live in Ujamaa villages. The government provides a subsidy of 50 per cent to the peasants for the purchase of fertilizers, but again this is a reflection on the backwardness of the country. The average life expectancy in Tanzania today is 41 years. Contrast that with ours in this country. We were told that only recently 300 children died in a two-month period from whooping cough. There were no adequate medical services.

I could go on with much more in a similar vein, but the interesting point is that here is a dynamic country. The leadership, thanks to scholarships from the Rhodes Trust and others, has enabled the formation of a cabinet, most of the members of which have university degrees. They are bright, intelligent and aggressive persons. They were so pleased to see the Canadian group of businessmen that one night one of my students, Joe Mungai, who is the Minister of Agriculture, organized a meeting at which four cabinet ministers and eight deputies were present. We have never had that kind of treatment anywhere, but this was a very lively exchange between cabinet and deputy minister level representatives at which we were afforded a first-class opportunity to explore some of the problems of that country and see how the Canadian situation would relate to them.

As you know, Canada spends a fair amount of money in these countries, through CIDA and foreign aid of one kind and another. In my opinion it is money well spent. Fifty per cent of the funds are devoted to building up the quality of livestock. We were simply appalled as we drove through the countryside to see the amount of scrub cattle, stuff that we would not tolerate on our farms. We overlook something that is very important there. We asked them why they had such poor quality cattle when they could have one head that would produce three times as much milk or four times as much beef. They said that we must bear in mind that the number of cattle represents wealth in that country. When a man wishes to buy a wife he may offer 20 cows. It does not matter whether they are fat or thin; they are each one head of cattle. So every once in a while one would run into the folklore and tribal traditions of days gone by.

● (2140)

Despite this, the people are making progress. They are keen. Canada has a fine reputation with them, and this is an area where we could expand our trade and profitably develop friendly relations. Certainly they are friendly. They have formed what is called the East African Community, comprising Tanzania, Kenya and Uganda, although Uganda is a rather uneasy partner. In order to pool their resources, they have made a co-operative arrangement whereby their railways, airlines and harbour boards are operated under a pool system employing 200,000 people. This makes a good deal of sense.

These remarks will serve as an introduction to the topic. I should like to expand on it when the Senate meets again, and will deal with Kenya and conclude with South Africa. South Africa is a tremendous country, a country of contrasts and potentially explosive situations. I am not quite sure in which direction the country is going. We found the

people friendly, and industrial cities, such as Johannesburg, Cape Town and others, fully modern and booming.

The price of gold is, of course, rising fast. When we were there it was $82 an ounce. Indeed the slag heaps, which are 200 and 300 feet high, are valued at 60 cents per ton. Gold, however, is now priced at $125 an ounce, and some people predict that it will increase to $150 an ounce. It has been said that it will rise to $350 an ounce. If so, I do not know what will happen to our economy. The escalation of the gold price is the kind of thing that has implications for Canada, and no one seems to be able to foresee the results. South Africans look painfully towards Canada because they believe that we have been unfair to them. I hope to deal with this matter in the remainder of my address at a subsequent sitting.

On motion of Senator Cameron, debate adjourned.

The Senate adjourned until Thursday, June 14, 1973, at 2 p.m.

THE SENATE

Thursday, June 14, 1973

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

Prayers.

THE HONOURABLE HARTLAND de M. MOLSON

CONGRATULATIONS ON BEING ELECTED TO HOCKEY HALL OF FAME

Hon. John J. Connolly: Honourable senators, before the routine proceedings of the day are called, I wonder if I could draw the attention of the Senate to the fact that one of our colleagues, namely, Senator Molson, yesterday was elected, in the builder category, to the Hockey Hall of Fame of Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Some years ago I had occasion to remark upon Senator Molson's career in connection with hockey. At that time I said we were all very glad that something pleasant had happened to him on the way to the Forum. We are equally happy that something this pleasant has happened to him on his way from the Forum.

Hon. Jacques Flynn: Honourable senators, I should like to join with Senator Connolly in congratulating Senator Molson on his election to the Hockey Hall of Fame. I have often noticed that Senator Connolly is a better skater than Senator Molson. So, I am wondering whether he should not have been elected to the Hockey Hall of Fame first. In any event, I recognize all of the qualifications Senator Molson possesses and I congratulate him on his being named to hockey's Hall of Fame. He has done a lot for the sport and deserves this recognition.

Hon. Paul Martin: Honourable senators, I, too, should like to add a brief word of congratulation to Senator Molson on his election to the Hockey Hall of Fame. Senator Molson occupies an almost unique position, politically, in this house. On that account, and because of his own great and friendly qualities, his election warrants more than a comment from the two distinguished senators who have preceded me.

Hon. Mr. Flynn: What can you add to what has already been said?

Hon. Mr. Martin: Any honour that comes to Senator Molson is an honour in which we should all want to share. I do not believe there is a more beloved or popular figure in our midst than Senator Molson who, at one time, did know something about hockey rinks and hockey players.

Hon. Mr. Flynn: At one time? He still does.

[*Translation*]

Hon. Sarto Fournier: Honourable senators, I should like to add a few words, if I may.

The great honour which is being done to our colleague Senator Molson appears to me to reflect as a global homage on the whole Molson family since its origin. If, like in sports, there existed Halls of Fame in the areas of business and civism, we should see members of the Molson family elected to both of them, for they certainly deserve it.

As a representative of Montreal City Hall, whenever I had to deal with Senator Molson and his family, I always appreciated their civism, good citizenship and eagerness for discussions, dialogue, understanding and sharing of insights.

I am indeed very happy today, both as a former mayor of Montreal and as a Canadian, to join in this testimonial which the whole of Canada is offering to Senator Molson who is only reaping what he himself and the members of the Molson family have sown.

[*English*]

Hon. Hartland de M. Molson: Honourable senators, I am deeply grateful for the extraordinarily kind words that have been said about this event. There is one thing I have often meant to say in the chamber. In the now nearly 18 years that I have been a member here, I have experienced a courtesy, a kindness, a friendliness, and an interest that it has never been my pleasure to experience anywhere else. These kind words today are but another example of the sort of relationship that exists in the Senate. We are extraordinarily lucky in this relationship with our colleagues, and I express my gratitude for it.

Honourable senators, I would be less than human if I did not say I was pleased to hear of my election to the Hockey Hall of Fame. I do not know that I did anything for hockey which deserves any recognition, but I do know that for 11 years I had the truly great pleasure of being nominal head of the organization known as club de hockey Canadien. During those years, although dollars were essential to the successful operation of professional hockey, the sport itself was still of paramount importance. I am afraid that in recent years the sport has fallen into some difficulties. However, I am sure this is a passing phase and that in a few years' time our values in professional sport, particularly in hockey, will return to normal and players will again receive proper salaries, and profits and ticket prices will be normal.

The game is far too important to us in Canada to be other than a splendid attraction, reflecting at times the life's work of thousands of young Canadians. I believe that hockey will pass through its present difficult phase and end up still as a most important character builder for the youth of Canada. I thank you very much.

Hon. Senators: Hear, hear.

RULES OF THE SENATE

MANNER OF ADDRESSING THE SENATE

Hon. L. P. Beaubien: Honourable senators, with leave, I should like to say a few words about our rules. Rule 25 provides:

> A senator desiring to speak in the Senate shall rise in his place and address himself to the rest of the senators.

This rule has stood for a hundred years, but lately a few senators have been rising and addressing the Chair. Of course, this is the first time in one hundred years that a charming lady has occupied the Chair of Speaker of the Senate, and so I can understand senators wishing to address her when they rise to speak in the chamber. However, as long as rule 25 stands, I would ask Her Honour if she would be good enough, when a senator addresses her, to inform him that if he wants to speak to her he can do so outside the chamber but that in the meantime he is to address the other senators in the house.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Public Service Commission of Canada for the year ended December 31, 1972, pursuant to section 45 of the Public Service Employment Act, chapter P-32, R.S.C., 1970.

Report of the Public Service Commission on Delegation of Staffing Authority for the year ended December 31, 1972, pursuant to section 45 of the Public Service Employment Act, chapter P-32, R.S.C., 1970.

Report of the Public Service Commission on Positions or Persons excluded from the operation of the Public Service Employment Act for the year ended December 31, 1972, pursuant to section 45 of the said Act, chapter P-32, R.S.C., 1970.

Copies of a Statement, dated June 13, 1973, announcing an expanded system of bicycle paths for the National Capital Region, together with copies of a booklet entitled "Walking the National Capital", issued by the Ministry of State for Urban Affairs.

Copies of Provincial Reports entitled "Federal-Provincial Programme of Cooperation for the Development of Bilingualism in Education at the Pre-University Levels", dated May 1973, issued by the Department of the Secretary of State.

JUDGES ACT

BILL TO AMEND—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-177, to amend the Judges 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. Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

[Hon. Mr. Molson.]

Motion agreed to.

● (1410)

EXPORT DEVELOPMENT CORPORATION

REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE—TABLED AND PRINTED AS APPENDIX

Hon. John J. Connolly: Honourable senators, on behalf of the Honourable Senator Hayden, I have the honour to table the report of the Standing Senate Committee on Banking, Trade and Commerce on the structure, policy and operations of the Export Development Corporation. I would ask that the report be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings* of the Senate of this day and form part of the permanent record of this house.

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

Hon. Senators: Agreed.

(*For text of report see appendix pp. 724-733.*)

On motion of Senator Connolly, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

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, June 19, 1973, at two o'clock in the afternoon.

As honourable senators know, on Tuesday morning Mrs. Indira Gandhi, the Prime Minister of India, will address a joint meeting of both Houses of Parliament in the House of Commons at eleven o'clock. It is hoped that as many senators as possible will attend. It therefore seems reasonable that the Senate should sit on Tuesday afternoon rather than at the usual time in the evening.

On Tuesday we would like to conclude the debate on the motion for the second reading of Bill C-133, to amend the National Housing Act, and have that bill referred to the Standing Senate Committee on Health, Welfare and Science.

The committee schedule is heavy for next week, just as it has been for the past two weeks, and it may, therefore, be necessary again for us to devote all of Wednesday to committee work.

On Wednesday and Thursday, the Banking, Trade and Commerce Committee will continue its study of direct foreign investment in Canada and will also give further consideration to Bill S-4, to amend the National Parks Act. On those two days there will also be meetings of the Legal and Constitutional Affairs Committee. On Wednesday the Transport and Communications Committee will consider the advisability of steps being taken to ensure that all radio and television commercial advertising in Canada be produced in Canada. On Thursday the National Finance Committee will meet to consider its report on the main estimates, which it has been studying for the past few weeks. In addition, as I have indicated, it is most likely

that the Health, Welfare and Science Committee will have before it Bill C-133, to amend the National Housing Act.

Moreover, it is expected that one bill, or perhaps even two bills, will come to us from the other place. Senator Connolly (Ottawa West) has just tabled the report of the Standing Senate Committee on Banking, Trade and Commerce on its examination of the structure, policy and operations of the Export Development Corporation, and that report will be on the Orders of the Day for consideration on Tuesday next.

Hon. Mr. Beaubien: Honourable senators, I find it hard to see what the visit of the Prime Minister of India on Tuesday morning has to do with whether we sit in the afternoon or the evening. It is not so difficult for senators from Montreal to get here in the afternoon instead of in the evening, I suppose, but for those who have to come from a great distance it makes a tremendous difference. Why should one have to miss an attendance in the Senate simply because someone thinks that because a visitor is coming in the morning we should sit in the afternoon, instead of the evening? We have been in the habit of sitting in the evening—I know that we do not have to, but that is our rule—so why should we change it suddenly because a visitor is coming in the morning? If that visitor were coming in the afternoon or in the evening, and we had to be here, that would be another matter, but I do not see any point now in changing our time of sitting to 2 o'clock in the afternoon.

Hon. Mr. Langlois: To this I would like to say that a great number of senators have advised that they will be in attendance for this joint meeting of both houses in the morning to hear Mrs. Gandhi, and that they will be here in the afternoon.

Hon. Mr. Beaubien: But there are many who cannot be here.

Hon. Mr. Flynn: Honourable senators, I would suggest that this is completely irrelevant. What Senator Langlois has said about the program for next week has nothing to do with our sitting in the afternoon or sitting at night. He will agree with that.

There probably is another reason—and I know what it is—but I have already indicated that we could sit with one member absent, even if he is the most important.

Hon. Mr. Smith: Honourable senators, I should like to call your attention to the fact that some of us are quite anxious to be here on Tuesday morning to attend the joint meeting of the Senate and the House of Commons, which is to take place in the chamber of House of Commons at 11 o'clock. Taking myself as an example, it is impossible for me, living 110 miles south of Halifax, to get to the airport in time to catch a flight that will arrive here at 9.30 or 10 o'clock in the morning. There is no such connection for me. I am not the only one in that situation. There are many others from distant parts of Canada who face similar difficulties. I do not particularly approve of someone who has such an easy time of his parliamentary life, and who can scoot back and forth from Montreal to Ottawa every week, trying to interfere with our attendance at this function by suggesting, because it suits his easy convenience, that we should sit around all day waiting for something to do. Since we will be here, I think we should meet on Tuesday afternoon. It may well be that the business at that time will be sufficient for us to have an evening sitting as well.

I do not often speak in this vein, honourable senators, but I find the suggestion a little bit annoying.

Hon. Mr. Flynn: You should not speak in that vein, and I hope you won't again.

Hon. Mr. Walker: Oh, he is preaching for a call. What do you want to be? The second assistant to the leader?

Hon. Mr. Flynn: It is a joke.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

SENATE BILL REMOVED FROM HOUSE OF COMMONS ORDER PAPER

Hon. Mr. Flynn: Honourable senators, I should like to inquire of the Leader of the Government, who leads everything in this house—not only the government but the whole Senate—at his fancy, as to the ill fate of Bill S-5.

Hon. Mr. Martin: Honourable senators, I do not agree with the ruling made with regard to Bill S-5, and consideration is being given to its consequences.

Hon. Mr. Walker: Honourable senators, is it not a shocking thing that we in this house should be governed, ruled or adjudicated upon by the Speaker of the other place? Who is he, aside from the honoured position he holds, to make a legal decision binding on the work of this house?

• (1420)

Hon. Mr. McIlraith: Honourable senators, may I say a word on this matter, which has troubled me considerably. I have looked up the ruling, which is a very interesting one, obviously based on sections 53 and 54 of the British North America Act. I should like to take a moment to deal with it because, in my opinion, it is of vital importance to this chamber. Section 53 simply provides:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

We have no argument with that, but the important point is contained in section 54, which reads as follows:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

Bill S-5 is a simple measure. It amends section 3(1)(d) of the Farm Improvement Loans Act by increasing the amount authorized for loan by a bank from $25,000 to $40,000. However, the amendment is rather interesting in its form. Section 3(1)(d) authorizes the minister to pay to a bank the loss sustained by it as a result of a farm improvement loan, if the loan does not exceed the amount of $25,000, which is changed to $40,000 by the bill. Section 3 of the act begins: "The Minister shall, subject to this section and sections 4 and 5 . . ." Sections 4 and 5 relate to

the minister's not being liable to pay under certain circumstances.

Section 5 provides:

> The Minister is not liable under this Act to make any payment to a bank in respect of loss sustained by it as a result of a farm improvement loan—

Then it continues and fixes the amount that cannot be exceeded. That is the whole trust; it is the appropriating section governing the amount of money, or setting out the amount of money being authorized. Section 3 has nothing to do with the amount of money being authorized and the bill, therefore, is not a bill for the appropriation of money.

I am puzzled by the decison and am conjecturing a little, but it seems to indicate that the resolution preceding the original bill in 1968 somehow or other still has validity. It follows that because the Farm Improvement Loans Act, when it was enacted a number of years ago, had to be preceded by a message from the Governor General—and very properly so; it is clear it had to be; there can be no argument about that—this bill now should also be preceded by a message from His Excellency the Governor General. But, honourable senators, I cannot for the life of me understand that, because the prohibition in the B.N.A. Act deals with the requirement for the message for an appropriation bill preceding it in the session in which it is enacted. The terms of section 54, which I shall read again, are very specific:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

Surely that requirement can have no relationship now, and the bill, admittedly, is not an appropriation bill.

It would seem that we have an area here where the law is being interpreted in a way that has consequence far beyond what is dealt with in the legislation giving the law. It is a matter of some delicacy, because the House of Commons must be master of its own internal rules. But surely its own internal rules do not authorize it to amend the Constitution or expand the authority of the law enacted by the whole Parliament.

As I say, it is a matter that should be argued with some delicacy, and with sensitivity to the undoubted right of the House of Commons to deal with its own internal procedures, but surely that right does not authorize the House of Commons to reject bills from the other legislative chamber of Parliament in the way that this bill appears to have been rejected in consequence of this ruling. I hope the government leader in the Senate will give this matter some careful consideration, to see whether it can be pursued further with a view to having some reconciliation of the difficulty that flows from the decision given in the other place, and that will require some delicacy.

I am not clear whether it is the responsibility of the government leader in the Senate or of Her Honour the Speaker, but I hope the subject will be pursued, because its consequences are far reaching. It means, in effect, that no legislation can originate in this place if it relates to any law of Canada which, when originally enacted, involved an appropriation of money. That is a very large extension of the principle that, in law, money bills must originate in the House of Commons.

Hon. Mr. Choquette: Honourable senators, I am so convinced that my good friend and former confrère of Osgoode Hall Law School is right that I am willing to suggest that 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.

We are guided by the Constitution. We are not guided by the ruling of the Speaker of the House of Commons. We must have, if necessary, a ruling of the Supreme Court of Canada. You might say, "This is a picayune matter. Why go to the Supreme Court of Canada?" Not long ago the Supreme Court heard what has become known as the *Drybones* case. This case involved a poor Indian who was found guilty as charged, and who could have settled his whole case by paying a minimum fine at $10. His lawyers decided they should go to the highest court of this country, the Supreme Court of Canada, to get a decision on a principle. A principle is involved here, honourable senators, and as a lawyer I must insist that if the Speaker of the House of Commons persists in deciding and ruling as to what bills shall originate in the Senate, and what bills shall be rejected by him, then we must once and for all go to the Supreme Court of Canada to obtain a decision on the principle.

Hon. Mr. Goldenberg: Can the honourable senator tell me who would bring it before the Supreme Court?

Hon. Mr. Flynn: Either house can move a resolution to submit a bill to the Supreme Court where there is a constitutional principle involved.

• (1430)

Hon. Mr. Martin: Honourable senators, when this bill was first presented to the house, I asked the Law Clerk for his views as to our right to deal with it. I had no doubt myself, but because there had been some doubts expressed I asked the Law Clerk for his opinion. He replied that it was within the competence of the Senate to proceed with it.

I would certainly not want to be guilty, in any way, of attacking the right of anyone in the other place to express an opinion in the light of their rules, and certainly I would not want, in any way, to attack the person of the Speaker in either the other place or this house. But it could very well be that that bill might not conform, because of the requirement for a resolution expressing the permission of the Crown to proceed, and that the situation is not the same in the other place as it is in this house.

We have a very famous document, the Ross Report, which deals with the powers of the Senate in respect of tax bills, appropriation bills, and so forth. I have gone through that report myself. I have also taken advantage of further discussions with the Law Clerk and with the present Clerk of the Senate. I also invited the consideration of Mr. MacNeill, the former Clerk who is known to

most honourable senators. Mr. MacNeill had long experience in this house in these matters. That is what I meant a moment ago when, in answer to the question, I said I did not agree with the decision, but as far as I was concerned, as one individual senator, I wanted to give further consideration to what the next step should be, if there is to be a next step.

There are many considerations which must be borne in mind in respect of matters such as this. I would very much welcome, now or later, the views of honourable senators as to what course they think should be taken. There are considerations here which we would want to look at carefully. As far as I am personally concerned, my consideration of this matter is not over.

Hon. Mr. Flynn: The one question that has been raised in this connection—and it may be incidental, but it forms part of the whole problem—is whether the ruling of the Speaker of the other place, since they have abolished any appeal from the Speaker's rulings, should be the last word? That is the situation with which we are confronted. Even the government in the other place cannot appeal the ruling of the Speaker in this case by having the house decide on the question. The situation is that one man has said that this bill shall not be entertained by the House of Commons because it was introduced in the Senate, and that is the end of it.

I read the ruling and I share the government leader's opinion that it is not convincing. We have to find out how we should resolve this problem in practice for the future.

Hon. Mr. van Roggen: Honourable senators, I share the view, as already expressed by some honourable senators, that it would be quite wrong to let this matter rest with the unilateral decision of the Speaker of the other place—and in this connection I cast no aspersion whatsoever on him. He unquestionably has given a ruling in the light of what he considers to be the law. There are two questions in my mind, the first of which is whether we let the matter rest there, and the second is as to where this process stops, if we do not have a ruling of the Supreme Court of Canada. It is hard to conceive of a bill which does not have some call on the public treasury, even if it is only of an administrative nature.

It may be that we should not decide this point this afternoon out of hand. I welcome comments from other honourable senators as to whether it would be worthwhile to refer this matter to the Standing Senate Committee on Legal and Constitutional Affairs, and leave it to that committee to decide what the next step should be.

Hon. Mr. Forsey: Honourable senators, I should like to support the suggestion made by Senator van Roggen. It seems to me that we are confronted with a very, very serious question, indeed. Nobody has more respect for the other place than I have and no one has more respect for the Speaker of the other place, both in his office and in his person. But it seems to me that what we are confronted with here is, in effect, a claim that the Standing Orders of the other place shall prevail over the Constitution of Canada.

I speak as a layman, subject to correction by honourable senators learned in the law, but that seems to me to be the real principle that is involved. The implications become still more serious because of the point that has been made by the Leader of the Opposition that there is now no appeal in the House of Commons from the decisions of the Speaker. As long as we remain in existence, honourable senators—if people think we ought to disappear; that is their right; if the Parliament of Canada abolishes the Senate, that is that—but as long as we are here and operating within the present provisions of the Constitution, it seems to me we should not be put in a position where a decision of the presiding officer of the other house that something contravenes the Standing Orders of the other place prevails over the Constitution of Canada. I very much hope that the matter may be considered, by those competent to pronounce upon it professionally, in the Legal and Constitutional Affairs Committee. That seems, to me, an admirable suggestion.

Hon. Mr. Martin: Honourable senators, I wonder if I may be permitted to make a further supplementary observation. I think we are all of one mind on the merits. I hope that the chairman of the Legal and Constitutional Affairs Committee will not mind if I mention that yesterday I discussed with him the possibility that he and his committee give consideration to this matter in an advisory capacity.

The suggestion brought forward by Senator van Roggen does not come for the first time now. Senator Goldenberg had promised to look into this. I am sure that he is prepared to do so. It is not a question of anyone wanting to do away with the Senate. This was an honest opinion rendered by the Speaker of the other place. We should not exaggerate its implications, nor should we underrate them. It was simply his opinion given in the other place. We do not agree with that opinion.

Disagreement in these matters has been traditional, as an examination of the Ross Report will show. There has been a great difference of opinion between the two houses as to the function of this house in respect of tax and appropriation bills. A reconciliation between the two bodies has never been effected. It would be very useful if this particular matter were pursued objectively in the light of the problem which was presented to the Senate many years ago in the Ross Report.

Hon. Mr. Carter: May I ask the Leader of the Government a question? Is the Standing Senate Committee on Legal and Constitutional Affairs considering this matter informally, or are we going to refer this matter to the committee by motion?

Hon. Mr. Martin: 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.

● (1440)

Hon. Mr. Flynn: Let us wait until next week.

Hon. Mr. Martin: Let it take its course. The Senate itself may make a motion now, but I personally would not want to make such a motion until I had received the reaction of the chairman of the committee.

Hon. Mr. Flynn: There is no rush about it.

Hon. Mr. Goldenberg: Senator Martin spoke to me about this yesterday, and I said I would look into the matter. I propose to do so, but whether I can do that between now and next Tuesday I do not know. I will discuss the matter. I want to ask one question. I notice that in his ruling the Speaker of the other place referred to another decision under similar circumstances in 1969.

Hon. Mr. Flynn: You can find all sorts of decisions in Beauchesne; don't worry about that.

Hon. Mr. Goldenberg: There is nothing special about that?

Hon. Mr. Martin: This was a recent one, two years ago.

Hon. Mr. Flynn: I know.

Hon. Mr. Molson: Honourable senators, I would not be brash enough to attempt to make any comments on the constitutional or legal issue, but I would call your attention to the Senate bills for this session. As I mentioned a little earlier today, I have been around here a fairly long time. I do not think I have ever known such a dearth of paper in the form of Senate bills, in all those years, as there is now. We have been here since January, and the top bill of this bundle which I hold in my hand is Bill S-7. There is no Bill S-1—or at least no effective Bill S-1—and Bill S-5 has been ruled out. In six months we have, by my count, approximately five Senate bills. I do not remember anything as pathetic as that for a great many years.

When we were revising our rules in 1969, we made an analysis of the volume of bills that had been introduced in the other place and in the Senate. I do not have the figures with me now, but at that time the number being introduced in the Senate was rising, and I think it had reached a percentage as high as 25 or 30 in the session. If these Senate bills that I have in my hand constitute the score we can expect as a result of the present policy of the Speaker of the other place, I suggest that our function as a second chamber is being brought into question.

Hon. Mr. Martin: May I ask Senator Molson a question? This is the only way I can possibly intervene. If he is looking at the paucity of Senate bills, he will also note that in the other place—I hope none of my colleagues in that place hear me—the paucity is equal to our record.

Hon. Mr. Molson: I am afraid your comment will not go unnoticed.

Hon. Mr. Martin: Things have a way of reaching the ears of one's colleagues.

Hon. Mr. Flynn: Bugging.

GASOLINE AND FUEL OIL

PROPOSED EXPORT CONTROLS—QUESTION

Hon. Mr. Phillips: Honourable senators, may I direct a question to the Leader of the Government? Can he provide this chamber with some information on the controls announced on the export of gasoline and fuel oil?

Hon. Mr. Martin: I think the honourable senator will have to wait. There is a debate in the other place today, and he will understand tomorrow why that must be my reply now.

[Hon. Mr. Flynn.]

Hon. Mr. Phillips: I will attempt to, but I cannot right now.

Hon. Mr. Martin: You will, tomorrow.

NATIONAL HOUSING ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Maurice Bourget moved the second reading of Bill C-133, to amend the National Housing Act.

[*Translation*]

He said: Honourable senators, I am happy to move second reading of Bill C-133, an Act to amend the National Housing Act, which constitutes perhaps the most significant piece of legislation on housing introduced in Parliament over the last 20 years.

[*English*]

The debate at this stage of our consideration of the bill is concerned with principles, and there are some important principles underlying this legislation. They arise, first of all, from the acknowledged right of every Canadian to be well housed, at a cost within his means, in a healthy and satisfying community.

In the terms of this legislation, housing is seen not just as an economic commodity to be bought and sold, but as a social need. The programs proposed in this bill are, above all, social measures. They are directed primarily at those people who, for one reason or another, are not able to provide adequate shelter for themselves or their families through the ordinary market mechanisms.

In such basic matters as shelter and the need to create or preserve a safe, convenient and stimulating neighbourhood, Canadians who require assistance are entitled to expect help from their national government, which has the responsibility to see that people in all parts of Canada are dealt with fairly and equitably. At the same time, the government wishes to ensure that, in helping people to fulfil their housing and community needs, it will provide them with the widest possible choice about the kind of housing they will live in, and the kind of tenure by which they will occupy it as tenants, as owners, or as members of co-operative organizations.

A number of measures proposed in this bill, therefore, are concerned with the housing problems of low income and moderate income people.

The kinds of help which this legislation offers, then, include assistance to low income families who, with some help, can buy their own homes, instead of renting accommodation under government subsidized housing programs. Many low and moderate income families who are now living in rented housing could, with some help, manage to buy their own homes. The government, in introducing this program, is offering this kind of help. For people who prefer to be home owners rather than tenants, and who are able to take advantage of the program, the bill presents an alternative.

The amount of help that can be given to families under the program, outlined in section 34.15, depends on their income. Assistance is given in three ways. First, the period during which the mortgage must be repaid may be extended to 40 years. The amount of interest to be paid on the

mortgage is reduced, according to the family's income, from the usual market rate down to a rate close to that which Central Mortgage and Housing Corporation must pay to borrow its funds. If extending the term of the mortgage and reducing the mortgage rate to the lowest level is still not enough, the federal government may make a grant to keep the family's monthly payment within tolerable limits.

Most provinces now give some kind of help to people who are buying homes. The federal grant, however, is not dependent on similar kinds of assistance from the provinces. If the family can obtain a loan from the province on roughly the same terms as they could get from the federal government, the federal government will make its grant available just the same.

● (1450)

This legislation also offers increased assistance to non-profit organizations—such as churches, service clubs, veterans' organizations and co-operatives—which are willing to build or acquire housing that they will rent, or otherwise provide, to low income and moderate income people without a profit to themselves.

I might mention that these amendments provide, for the first time, a separate section of the National Housing Act dealing with housing co-operatives, setting out in clear terms the kind of assistance that is available to co-operatives in providing shelter, particularly for people of low and moderate incomes.

This separate section will become section 34.18 in Part IV.2 of the National Housing Act, and it is contained in clause 12 of the bill before us today.

The concern of the government is not just with housing but with the whole community in which people live, so other measures are proposed to preserve and restore vital neighbourhoods in danger of decay and neglect. A wide range of assistance will be available for neighbourhoods made up largely of low income and moderate income people, to rehabilitate housing and to provide the necessary community and recreational facilities.

This program deals not just with housing but with the whole neighbourhood. There are many neighbourhoods in Canada occupied by low and moderate income people, where the housing is deteriorating, community facilities are lacking, and the sense of community is in danger of being destroyed. The federal government believes that many of these neighbourhoods, with some help and some encouragement for the local residents, could be saved and could become healthy and satisfying places in which to live.

Since municipalities are under the jurisdiction of the provinces, and since the success of the program depends largely on the participation and co-operation of the provincial governments, the Neighbourhood Improvement Program, proposed in Part III.1, will be the subject of federal-provincial agreements. These agreements will spell out how the funds are to be paid out, how the residents of the neighbourhood will take part and how new homes will be found for any people who may be displaced because of activity arising from the program.

While assistance for rehabilitating housing and converting existing housing to provide hostel and dormitory accommodation for elderly people and students will be confined initially to such neighbourhoods, to obtain maximum impact, loans and grants for rehabilitation and conversion will also be available outside neighbourhood improvement areas to non-profit housing corporations, including co-operatives.

[*Translation*]

The programs provided in this bill are directly tailored to the needs of low income people, including the elderly. On a par with the existing program of public housing that will be continued, these programs will affect a greater number of citizens who need help and they will provide provincial governments with a more flexible set of instruments that will enable them to meet their priorities and the local and regional needs.

Other provisions found in this bill, while they are not exclusively designed to meet the needs of low income people, will be most significant for all Canadians who are struggling with housing and community problems.

[*English*]

There is a very important new provision for assistance in the planning and creation of new communities as an alternative to the continuing unplanned urban sprawl, which absorbs irreplaceable agricultural land and neighbouring towns and villages, and threatens to make our large urban centres almost unmanageable.

Amendments are proposed which would make the federal program of assistance in the public assembly of land an instrument for deflating the rising cost of residential land and for encouraging more orderly urban development.

As the minister announced in January, the federal government is committed to spend at least $100 million a year for the next five years for the public assembly of land including assistance to new communities. This figure has no reference to the vast amounts of money that have been and will continue to be spent under the existing, and to be reformed, trunk sewer program. Many have argued, and I have noticed this comment in the press, that $100 million per year is not enough for a concerted attack on rising land prices.

This amount is substantially more than any government of this country has put forward for this purpose in the past, and is substantially more than the combined requests of all the provinces in any year to date for the purpose of land assembly. The government can encourage municipalities and provinces to take full advantage of it. If that amount is not enough, the government is prepared to be flexible and make further funds available.

First steps are proposed for the creation of a system of warranties and guaranties to protect home buyers in the same way that consumers are protected when they buy other goods. It has become apparent that people, when they buy houses, need some of the same kind of protection and warranties they get when they buy a car or a television set.

As a step in this direction, it is proposed by section 8.1 to amend the National Housing Act to deal with one specific problem which some people encounter in buying a house under the act. The mortgage insurance feature under the act provides substantial protection for the lender against builder bankruptcy or insolvency. The proposed amend-

ment will permit CMHC to ensure that the purchaser of a new house from a builder will receive a completed dwelling, by advancing funds necessary to complete the house, through the mortgage insurance fund.

The bill will also provide measures to encourage and assist research and development in the area of housing and community planning, and to make more resources available for this purpose through both government agencies and private firms and institutions.

An amendment is proposed to assist Indians living on reserves to acquire existing housing as well as new housing.

In broad outline, those are the general provisions of this bill. To understand their effect, however, they should be regarded in the light of other initiatives which the government has announced and which do not require further legislative authority. These initiatives were proposed by the government, and, at the Federal-Provincial Conference on Housing in Ottawa in January of this year, they received the general acceptance of provincial ministers concerned with housing. They include: first, a national study of housing needs in all parts of Canada to be undertaken with the co-operation of all levels of government; second, the development of a planned, intergovernmental strategy for intervention in residential land markets, through the public assembly of land which I mentioned earlier, to help control housing costs and to assist planned urban development; and third, a review and, if necessary, a revision of the federal government program of assistance for sewage treatment to ensure that it continues to meet the changing needs for pollution control and community planning. This matter has been under study by an interdepartmental committee whose report is expected to be completed soon.

● (1500)

Finally, they include a new style of continuing consultation and co-ordination among all levels of government to ensure that housing policies and programs respond to national, provincial and municipal needs and priorities. To assist in this process, the government has undertaken to commit its housing funds over three-year periods, instead of year by year, and to permit the greatest possible flexibility in allocating federal funds among the various housing programs.

[*Translation*]

Those are, honourable senators, the major points of the federal initiative in the area of housing as formulated in the legislation now before us. Those measures will allow governments to grapple with renewed strength with urban problems in the next years.

Our progress in the last four years, during which we built more housing units for low income people than during all previous years, must not let us forget that, unfortunately, there are still too many families and individuals in Canada that are not in a position to have access to available housing on the market. That legislation will not only create more housing for individuals and families on low and modest incomes but it will increase choices available in terms of tenure.

Honourable senators, in commending this bill to you I must point out that it results from continued consultation between the federal government and our provinces. Furthermore, briefs on that subject were submitted to the federal government both by voluntary organizations and individuals concerned with housing and its environment. With all those sources the government was able to turn those amendments into a specific instrument with which we hope to be able to face the future.

[*English*]

Honourable senators, you must have noticed that I did not try to deal with all of the clauses in the bill. There are so many figures and percentages that I could not remember them all, but I am quite sure that those who are interested—and I know that most senators are interested—will have a look at the bill itself. If the bill receives second reading, I will move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce so that all honourable senators will have an opportunity to ask for more details. I hope this measure receives your acceptance.

On motion of Hon. Mr. Belisle, for Hon. Mr. Walker, debate adjourned.

INCOME TAX

BANKING, TRADE AND COMMERCE COMMITTEE AUTHORIZED TO STUDY LEGISLATION

Hon. John J. Connolly, for Hon. Mr. Hayden, with leave of the Senate and notwithstanding rule 45(1)(e), moved:

> That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and consider any bill based on the Budget Resolutions relating to income tax in advance of 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, as Her Honour the Speaker has indicated, I make this motion on behalf of Senator Hayden. It is similar to those he has made on previous occasions—the most recent being in May of 1972—when bills based on budget resolutions relating to income tax were referred, in advance of their coming here in the normal course, to the Standing Senate Committee on Banking, Trade and Commerce for study. The bills in question are in our folders and are known as Bill C-192, to amend the Income Tax Act (No. 2), and Bill C-193, to amend the Income Tax Act (No. 3). I would ask that the Senate give approval to this proposal.

Hon. Mr. Flynn: Honourable senators, I will not oppose the motion. I would not, however, want my acceptance of this motion today to be considered as approval of the practice with respect to all such bills. I know that we did this with the so-called income tax reform bill. We did good work on that, but it was not sufficient to save us from having to deal with the actual bill, when it finally came to us, in a hurried and superficial way.

I can understand Senator Hayden's reasoning. The government probably plans an adjournment some time during

the coming summer, and would like these bills passed. I still think it is wrong, except from a very technical point of view, to deal with a bill before it reaches us, because we assume in that case that the House of Commons will adopt these bills as they are presented. They may come to us in a very different state from that in which they were originally introduced in the other place.

I will not oppose the motion. But I give warning that I reserve my right to oppose it if it becomes too much of a regular practice.

Hon. Mr. Choquette: It is not a blanket consent.

● (1510)

Hon. Mr. Connolly (Ottawa West): Honourable senators, I do not dispute what Senator Flynn says. It is his right to oppose this motion, and, indeed, to ask that it not be considered as a precedent. Speaking for myself, I feel that if the Senate can adopt this type of procedure for difficult legislation, the Senate will be serving both itself and Parliament very well indeed. I think Senator Flynn will agree with that.

I ask the Senate to consider the difference between giving this legislation a hurried examination when it comes to us with a deadline, real or imagined, and when we cannot possibly give it our full attention, and examining it in a leisurely—well, not too leisurely, perhaps—way which at least gives us the opportunity to understand fully its implications. While it may be new parliamentary practice, I would submit for your consideration that it is useful parliamentary practice for a second chamber. We cannot expect to get these bills early enough, or in the first instance, and in my view this is the best possible alternative in the circumstances.

Motion agreed to.

The Senate adjourned until Tuesday, June 19, at 2 p.m.

APPENDIX

(*See p. 716.*)

EXPORT DEVELOPMENT CORPORATION

REPORT OF STANDING SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

EVIDENCE

Ottawa, Wednesday, May 30, 1973

The Standing Senate Committee on Banking, Trade and Commerce met this day at 9.30 a.m. to examine and report upon the structure, policy and operations of the Export Development Corporation.

Senator Salter A. Hayden (*Chairman*) in the Chair.

The Chairman: Honourable senators, the first order of business this morning is to get what information we can in our study of the operations of the Export Development Corporation. This was a special reference to this committee, as you will recall, and we have a number of representatives, including Mr. H. T. Aitken who is well known to us.

Now, Mr. Aitken, would you care to take over at this time? We will have a short opening statement, and then you can go ahead and tell us about the scope and the operations of the corporation to which we have just given some money. We would like to know what ideas you have in connection with it, and how long that money is likely to last!

Mr. H. T. Aitken, President, Export Development Corporation: Mr. Chairman and honourable senators, the Export Development Corporation is the successor to the former Export Credits Insurance Corporation which started in 1945. The Export Credits Insurance Corporation and the Export Development Corporation both provide insurance against non-payment by foreign buyers. We provide export credits insurance coverage. We insure foreign accounts receivable. That is the first thing we do.

Secondly, we provide financing for major capital projects abroad where long terms are required, that is to say terms in excess of five years. The Canadian chartered banks will generally lend up to five years, but beyond five years, let us say for seven, eight, ten or fifteen years, there is no source of funds other than the Export Development Corporation to support major capital projects abroad where the foreign buyer wishes to purchase major capital equipment in Canada.

The third thing we do is to provide foreign investment insurance. If a Canadian company wants to establish a branch plant in, for example, Mexico, we can insure him against political risks involved in his investment abroad. We can insure him against expropriation or confiscation or against the inability to transfer profits or to repatriate his capital.

In the insurance field we have insured $4.5 billion worth of exports over the past 28 years and we are modestly in the black; in other words, we have cost the taxpayer nothing. Our premium income, less our net losses and expenses has left us in the black. We have a reserve which is equivalent to about 2 per cent of our current outstanding liabilities.

In the long-term financing field we have signed loans in excess of $1 billion, and we have had no bad debts. We have had to agree to a few roll-overs, but we are in the black.

We lend at competitive interest rates, but we try to lend at more than the cost of money to us. Our long-term approach is to try to lend at about one-half of 1 per cent above the cost of money to the corporation. We borrow from the Consolidated Revenue Fund at rates, established by the Minister of Finance, which are set quarterly. Currently our borrowing from the Treasury costs us just below 6 per cent, and the average of our current loans is in excess of 7 per cent. So we are making about 1 per cent. It costs about one-quarter of 1 per cent for us to operate.

We have signed about 145 loan agreements in about 40 countries. We are not restricted to developing countries as compared with developed countries; we can lend anywhere. We have lent to the United Kingdom, and we have lent to Chile. As I say, we can lend anywhere we are satisfied the project is a viable one, where Canadian capital equipment can be sold on competitive terms and where the price, quality and delivery of the equipment sold is competitive internationally. We do not put up the money just to get the business; we put up the money to facilitate sales by Canadian exporters and Canadian manufacturers of capital equipment.

In the case of the foreign investment insurance field we have a ceiling there of $150 million and we can insure only—as a matter of government policy and this is not set out in the Act—investments in developing countries; that is to say, countries that are listed in the so-called DAC list—the Development Assistance Committee of the OECD. We could not insure an investment in France or Germany, but we could insure one in Brazil or Mexico. The ceiling of liability which the corporation can take on in the export credits insurance field is $1 billion, divided as follows: $500 million at the authority of the corporation's board of directors; and $500 million where the government can tell us to insure; we are therefore the "post office" through which the latter are handled. The wheat sales made to the Iron Curtain countries are handled through the Export Development Corporation under the government's $500 million ceiling.

In the 28 years we have paid out some $22 million in claims and we have recovered some $16 million, so we have a net loss position of $6 million. As I told you, if you take our premium income, less our $6 million losses, less our operating expenses, you will find we are still in the black.

The ceiling for long-term lending was $850 million and Bill C-3, which the Senate passed on April 18 last, increased that ceiling to $1.5 billion. We have projects before us now for consideration which could increase our total signed contracts to something between $1.4 billion and $1.5 billion. But that ceiling, as established in the act, relates to obligations of foreign customers, or foreign borrowers. The amount of contracts we can sign is, of course, considerably in excess of $1.5 billion because that limitation is in respect of obligations given to us by foreign borrowers, and at present that total is between $700 million and $800 million, so we still have some scope.

I think that is a thumb-nail sketch of what we do.

The Chairman: Any questions?

Senator Flynn: I was not too clear as to exactly how you proceed when you mention investments by foreign borrowers. I thought the transaction was with, let us say, a local manufacturer who would transfer to the corporation his contract or his claim, and that, in fact, the loan is made to local manufacturers.

Mr. Aitken: The loan is made to the foreign borrower. We lend money to, say, the PTT, the Public Telephone and Telegraph System of Turkey. Turkey then places an order with Northern Electric, and when they ship the goods, we pay them on behalf of Turkey. Then we take notes from the Turks and they pay us back over a ten or twelve-year period.

Senator Flynn: I thought the first transaction was with a local manufacturer.

Mr. Aitken: We deal with a local manufacturer when he is extending the credit. We insure him when he is extending the credit. If the foreign buyer does not pay him, then we pay him 90 per cent. But that is insurance. In the long-term financing we lend the money to the foreign buyer. Then, on behalf of the buyer, we pay the Canadian exporter cash.

Senator Walker: What arrangements have you made in the case of default in the loan? Have you any guarantees that you will get it paid back? It is awfully hard to sue in Chile.

Mr. Aitken: In the case of Chile, Chile sought accommodation from the world when she ran into balance of payments difficulties; and we in Canada agreed to roll-over what was due from Chile from the period November 1, 1971 to December 31, 1972. During that period Chile was obliged to pay under loans made to borrowers in that country about $3 million.

Senator Walker: You mean the government was obliged to pay?

Mr. Aitken: No, the borrower. The government was required to provide the exchange to transfer, but the borrowers in Chile, and there are three of them—Industrias Forestales, a pulp and paper concern, the second, a company known as C.M.P.C., a Spanish name which means a manufacturer of cartons, and the third, a chemical company—have borrowed money from EDC to buy capital equipment in Canada. During the period November 1, 1971 to December 31, 1972 their obligations totalled $3 million. They can pay, but Chile lacks foreign exchange, so Chile asked the world to agree to a roll-over to defer part of those obligations. In fact, what we did was to agree to defer $2 million of the $3 million. So Chile paid us $1 million cash, and we agreed to roll-over $2 million on the basis that they do not pay anything for about two years, and then they have five years to pay off the $2 million.

Senator Walker: In other words, you have no security and no guarantee, and no procedure by which you can enforce the repayment of loans that go in default?

Mr. Aitken: That is not quite right, senator.

Senator Walker: That is the question I asked. Would you address yourself to answering it, please?

Mr. Aitken: In the case of Industrias Forestales, S.A., we have the guarantee of CORFO, the Corporacion de Fomento de la Produccion, which is the industrial development bank of Chile. If Industrias Forestales, S.A. could not pay we would call on CORFO to pay. That happened in the early stages of the loan, which was made in 1961. We have the guarantee of CORFO in that particular case. We try to get the best security we can, so that in the event the borrower cannot pay we go to the government, or an entity of the government, or to the central bank. We always try to get a guarantee for every loan we make.

Senator Walker: That is what I asked you. Then you always do support that loan by getting a guarantee, do you?

Mr. Aitken: Generally, yes. In over 90 per cent of the cases, yes.

Senator Walker: That is the question I asked.

Senator Flynn: Somewhere reference was made—I do not know where, or by whom—to your corporation financing the purchase by Venezuela of some old planes from the Department of National Defence. Would you tell us about that?

Mr. Aitken: As you know, the Department of National Defence bought some planes known as CF-5s. I understand they are not using them all, and they had some that were surplus. The Department of Industry, Trade and Commerce managed to interest the Venezuelan government in these planes. EDC is not set up to finance just miscellaneous sales of obsolete or excess equipment. We are supposed to finance new capital equipment sold abroad, so as to provide employment in Canada. We said that if a new order were to be placed for planes equivalent to the proposed sale, then we would finance the proposed sale, looking at it as though we were financing new production, one balancing the other.

In fact, that is what we did. We financed the sale of these planes to Venezuela, and with that money the Canadian Commercial Corporation, acting on behalf of the Department of National Defence, placed orders with Canadair to an equivalent value, or I believe, more than the value of those planes. The complaint of the

Auditor General in his annual report was to the effect that the CCC, the Canadian Commercial Corporation, in placing such an order, did not first of all go to Parliament to get approval. That, of course, had nothing to do with us; we financed the sale. If I give a company a cheque and they run off to Mexico with it, I cannot help it.

Senator Flynn: Normally, when there is a surplus, the government would sell that at an auction, the proceeds of the sale would have to be reported and could not be used by any department, could not be appropriated for the purposes of any department without Parliamentary approval. That is probably the complaint, if I understand it, of the Auditor General.

Mr. Aitken: I think that was his complaint.

Senator Buckwold: Could you tell us the number of applications that are rejected, and the kinds of situation that created those rejections?

Mr. Aitken: It is difficult to say in quantitative figures how many rejections there have been, because the procedures that are generally followed are that an exporter will telephone us in the first instance to say, "I am considering the possibility of making a sale to such-and-such a country. Is that country eligible for your lending? " We would then say yes or no. Sometimes there is a borderline case. It might be a very attractive sale, in which case we might be persuaded to lend to a country which is not 100 per cent creditworthy. If the country is eligible, the application will say, "We want to sell them locomotives," or perhaps a satellite station or ships, something clearly eligible for our financing, and then we will agree. If he says he wants to sell nuts and bolts, we do not finance that; we finance capital equipment.

First of all, the country has to be eligible; then the commodity has to be eligible. Then we ask what the project is, whether it is a viable project, whether feasibility studies have been made to show that the project, if it comes to fruition, will in fact earn money so as to pay for itself. We further have to ask whether the country is one where we are satisfied we can get paid, where their foreign exchange earnings are such that we are reasonably satisfied that over the period of credit we will get paid. Any discussion may fall down on any one of these points. It may never reach the stage where we get a formal application for the financing. It is really rather difficult to say to what degree applications have been rejected.

Senator Buckwold: When that stage is reached, most of them would be acceptable?

Mr. Aitken: Yes, sir.

Senator Buckwold: Other than financing, what would make a country ineligible?

Mr. Aitken: Only financial considerations, as long as the project were a viable one and the equipment qualified.

Senator Buckwold: I was thinking of the country. Have you a list of eligible countries? That is what I understood a little earlier. What makes a country eligible?

Mr. Aitken: As long as it is credit worthy, if it can pay; I am not concerned with its ideology at all.

Senator Buckwold: That makes no difference?

Mr. Aitken: No difference at all.

Senator Lang: Is that the case in India right now on all capital equipment?

Mr. Aitken: No. We have financed projects in India totalling $120 million.

Senator Lang: I understand there are certain injunctions on the export to India of some credit materials. Is that not correct?

Mr. Aitken: I believe that is true, but we have not any responsibility for or concern in that regard. We tell the exporter that while we are prepared to finance a transaction, it is up to him to get the export permit, if one is required. Our agreeing to finance something does not in any way connote any governmental approval of the particular export. If a permit is required, the exporter must deal with the appropriate authorities in the Department of Industry, Trade and Commerce, and the Department of External Affairs.

I believe there is an inter-departmental committee that supervises the granting of export permits; it is nothing to do with the Export Development Corporation. Our approval of a particular export does not connote any governmental approval of it under the rules that guide the approval of export permits.

Senator Lang: With respect to your bad debt experience and how that bad debt experience might relate to your volume of lending, there must be some way that you relate bad debts and banking to your total amount of lending, and how your experience compares with an ordinary lender, such as a bank.

Mr. Aitken: We have signed contracts totalling in excess of $1 billion. We have agreed to roll-over and we have no bad debts to date; we have not written off anything. I am speaking now of long-term financing. As I told you, in the export credits insurance field, we have had $22 million in claims.

In the long-term financing we have no bad debts but we have agreed roll-overs of about $26 million out of the $1 billion. Of the $26 million, so far $6 million has been paid off, so about $20 million which was due during the period of the loan, was deferred to be paid over future due dates. We did it for India; for Pakistan; one for Liberia, one and a half million dollars; for Chile; for the Philippines; and the last one was Egypt.

Senator Lang: Would you say that your bad debt experience has been better than that of the conventional lender?

Mr. Aitken: You really cannot compare it, because the conventional lender goes up to 2, 3, 4 or 5 years. Our loans are made on an average of about 8 to 10 years, going from about 7 years generally to fifteen years maximum, so it is between 10 and 12

years. So you really cannot compare what we do. I think our experience has been outstanding.

Senator Lang: What I am really trying to get at is, if your experience has been so good, are you performing your function adequately?

Mr. Aitken: Oh!

Senator Lang: Are you taking the risk that you were set up to take? Are you being too conservative? Are you in an area where we should be using the conventional lender?

Mr. Aitken: Perhaps we are too conservative, but I do not think so. As I said earlier, we try to lend where the project is viable, where there are exports of capital equipment and where the buyer can pay. Sometimes it is a question of judgment as to whether the buyer can pay. We do not like to lend money where clearly we will not get paid, and we hope we have never done that.

Senator Lang: Wouldn't your experience indicate to you that you are being too conservative in your approval of loans? If you have that high a favourable ratio, are you performing the risk functions for which you were constructed?

Mr. Aitken: Senator, that is a good question. We do not think so. By the way, if I might explain some of the procedures, as I explained earlier to a senator on my far left, the procedures are to ask: Is the country eligible? Is the project eligible? Is it a viable operation? Once we have assembled all the information required, we then come to our board recommending that we take a position. Sometimes it is a recommendation that something not be done; on the other hand, sometimes it is a recommendation that something be done. By and large, in our experience, the board goes along with us.

Our board is made up of twelve members—7 from the Public Service and 5 from the private sector. They meet once a month to consider applications from exporters and foreign borrowers for loans. It may be that we have not done business which we could have done. Again, it may be that if we had done that business we might have had more losses. We are not trying to subsidize exports; we are really trying to break even over the long term. In the export credits insurance field we have broken even; we are modestly in the black. In the long-term financing field we are solidly in the black. But, then again, we have these $20 million of rollovers. Provided they are paid up, we will continue to be in the black, but if they are not paid we will have to write them off. We hope we will not have to write anything off.

Senator Lang: I wonder if I might ask one other question? In the foreign export field you are basically in competition with your counterparts in the world field, I assume.

Mr. Aitken: Yes, sir.

Senator Lang: In many of these loans, you are aware that the rate of interest is what is called the cosmetic rate. There are other factors involved that in fact make the interest rate of your competitor lower than your interest rate. If my little knowledge is of any value, I think the cosmetic loan situation as utilized in other countries is an effective competitive device against Canadian exports, and it is a practice that, by and large, you pretend is not there. We may very well be losing business because of the interest rate factor competitively between yourselves and, say, your counterpart in the U.K. or France or anywhere else. Would you care to comment on that?

Mr. Aitken: Mr. Chairman, what the senator says is a very valid observation. The only thing I can say in response is that in our experience the foreign buyer decides what he wants to buy. Then he shops all over the world for the best terms, pitting one country against the other, trying to get competitive prices, competitive interest rates, competitive service; and then he goes ahead and buys from the person he intended to buy from in the first instance. So, while it is true that other countries make up the so-called cosmetic rate of interest, there is no doubt that if they quote a 5½ per cent rate of interest and money is costing 8 per cent, that 2½ per cent differential is built into the price, because they just could not operate on the basis of subsidizing their exports on a continuing basis. In the end, there are the international protective organizations such as the GATT Agreement, where practices such as those we have been discussing are frowned on and are discussed openly internationally. I think that by and large EDC Canada is competitive on price, quality and delivery and in interest rates and credit terms too.

The lowest rate at which we have lent is 6 per cent. All the loans prior to the EDC being established—that is, before October, 1969—were made at 6 per cent, and that was when money was costing 4½, 5 and 5½ per cent. Since then, as you know, interest rates have gone up, and while we try to lend at interest rates above the cost of money to us, on occasion, because of international competition, we have lent at rates below the cost of money to us; but, on the average, our return is just over 7 per cent and our cost is just below 6 per cent, so we are in the black.

Senator Flynn: The cost of money to you is determined by the government?

Mr. Aitken: Yes, sir, generally; that is, about 90 per cent of what we have borrowed and lent has been money from the treasury, but we have also gone into the marketplace.

Senator Flynn: How does the government determine its rate?

Mr. Aitken: My understanding is that the Department of Finance sets the rate to crown company borrowers at one-eighth of one per cent above the cost of money to it, for a specified period. They lend on terms of one to five years, five to ten years, ten to fifteen and fifteen to twenty years, and they set the specific rate of interest for each category.

The Chairman: Mr. Aitken, Senator Lang's question seems to provoke some points, as far as I am concerned. You talk about international credit competition—that is, there are other countries and organizations that are looking to lend money in different areas,

and you are doing the same thing. I take it you limit yourselves, in your loaning of money to say, India, in relation to some production or other of the commodity in Canada?

Mr. Aitken: Yes.

The Chairman: Wouldn't other international organizations do the same thing?

Mr. Aitken: It is true, sir, they do. But just as an example of how competitive we are today, because of the devaluation of the American dollar—and the Canadian dollar follows the American dollar very closely—and because of the revaluation of currencies such as the Japanese yen, the balance in Canada's favour today is, I am told, something in the order of between 15 and 20 per cent. Whereas two years ago we were barely competitive with the Japanese, now we are 20 per cent better on a price basis than they are. This gives us a tremendous advantage internationally. It is true, other countries have organizations very similar to the Export Development Corporation; but we are the only entity in the world that does the three things under one roof; that is, export credits insurance of suppliers' credit, long-term financing of buyer credits, and foreign investment insurance. We are the only entity in the world that provides the three services in one corporation. In the United States, the Export-Import Bank of the U.S.A. provides long-term financing, but its affiliate or associate company, the Foreign Credit Insurance Corporation, provides export credits insurance, and the Overseas Private Investment Corporation provides Investment insurance. You have three entities in the United States doing what we do in one.

The Chairman: Are any of the countries using this means to subsidize exports?

Mr. Aitken: As the senator indicated, it is very difficult to determine.

Senator Flynn: But it is possible?

Mr. Aitken: It is possible.

Senator Flynn: This long-term financing is a rather recent experience?

Mr. Aitken: We started in 1961, twelve years ago.

Senator Flynn: At the beginning you were financing only the purchases?

Mr. Aitken: We were insuring the exports.

Senator Flynn: You were insuring the exports?

Mr. Aitken: That is correct.

Senator Flynn: Coming back to this deal, don't you think in a case like that that the corporation is under undue pressure when it has to deal with the Commercial Corporation or any branch of the government?

Mr. Aitken: No, sir, we were solidly encouraged, shall I say, by Canadair, which was to make the new planes. They were the people, really, who were very keen to have us finance the sale of the old planes, and we were quite prepared to look on the transaction as though we were financing a sale of new planes.

It is the same idea as 25 years ago when we were asked by the City of Toronto to insure the sale of their old red streetcars to Mexico.

We said, "What is the point of that? We are not here to insure just financial transactions. We are here to insure exports so as to provide employment." So we said to the City of Toronto, "If you will agree to buy buses made in Canada, we will insure the sale of your streetcars to Mexico."

Senator Flynn: I can understand the interest of Canadair; that is quite obvious; but the Canadian Commercial Corporation and the Department of National Defence were also very much interested in getting the money this way.

Mr. Aitken: Yes, sir.

Senator Lang: Just trying to get a comparative picture of our performance in your field as opposed to other western countries, can you compare the amount of exports that you finance, expressed as a percentage of our total exports and as compared with what, for instance, the U.K. finances, or France finances, or the United States finances? I am trying to get a picture of what your performance is, relative to our competitors in international trade.

Mr. Aitken: We have facilities today totalling $3.1 billion to help facilitate exports. That is $1 billion for insurance; $1.5 billion for financing; $450 million for the government to finance; and $150 million for foreign investment insurance. So you have $3.1 billion. The U.S. has a ceiling of $20 billion. But, to compare Canadian figures with U.S. figures, you have to take a factor of 14, so that if you multiply our $3 billion by 14 you get $42 billion. The U.S. has $20 billion, so comparatively EDC is twice the size of the Export-Import Bank of the United States. We have twice the facilities here in relation to what they have in the United States.

At the moment, they are using about two-thirds of their $20 billion; they are using about $12 billion or $13 billion of their $20 billion. We have signed more than $1 billion of financing, and we have currently outstanding about three-quarters of a billion dollars in insurance, so we are using more than half of our facilities.

I think the EDC is recognized internationally as being one of the best run organizations in the world to help Canadian exporters.

With regard to our comparison in volume of business with the U.K., for instance, it is difficult to compare, because of Canada's exports; so many are sold for cash. Take all our ores, for example; they are all sold for cash. Most of our wheat is sold for cash.

As you know, 70 per cent of all our exports go to the United States. You do not require financing for sales to the United States. They buy on short-term credit or cash. So the area available for EDC to finance or insure is relatively limited, as compared with the U.K., where everything they export is manufactured or has to be

imported and manufactured and re-exported. They have not the indigenous resources which Canada has, so in the U.K. they insure or finance about one-third of their total exports.

In our business last year we did roughly $500 million in insurance, and we did about $300 million in financing. That is $800 million, but Canada's exports last year were about $20 billion, so we did about 4 per cent. In the U.K. they do 35 per cent. But, senator, you really cannot compare the two operations.

Senator Flynn: Have you any figures as to the private sector contribution to insurance and financing?

Mr. Aitken: Sir, the chartered banks are ready to provide financing where we will insure, and a lot of our business comes from the banks because an exporter will go into a bank and say: "Here, I have the possibility of making a $100,000 sale to Mexico. Will you finance it? " So a prudent banker will say, "Go talk to the Export Development Corporation, because if they will insure it, then we will finance it." Because the banker then knows that if the foreign buyer does not pay, we will pay, and we agree to pay the bank directly on instructions from the exporter. If we insure a sale and the foreign buyer does not pay, then the bank knows it is going to get its money.

By and large, the Canadian chartered banks stand ready to finance where we will insure. It is where the banks do not want to finance that we will finance, but that is in the long-term field. However, even in that field the banks work with us. For instance, we are currently negotiating a loan agreement with Algeria. The Algerians are here today. We hope to be announcing on Friday—I don't want to steal Mr. Gillespie's thunder, because he is our minister, but I expect Mr. Gillespie will be announcing an accord with Algeria on Friday which involves EDC funds and funds from the chartered banks. We work very closely with the banks. The banks take the shorter end of the obligations and we take the longer end.

Senator Flynn: My question was really whether the banks and the insurance companies operate in the same field as you do, without you.

Mr. Aitken: In some cases, yes. Not the insurance companies. There is only one insurance company in Canada, called the American Credit Indemnity Company, which insures domestic credit risks and also risks involved in sales to the U.S.A. It insures only commercial risks, not political risks. We are the only entity in Canada which provides insurance for both political risks and commercial risks. Our first political loss, interestingly enough, was in the U.K. It was a sale to the U.K. They cancelled the import licence, and we had to pay the exporter.

The largest single credit loss was also in the U.K. When Rolls Royce went bust we had to pay out $2 million to Canadian exporters who had contracts with Rolls Royce.

Senator Laing: Mr. Aitken, what adequacy are we going to have in the prospect of development of probably an enormous volume of trade between state traders and our side? I am talking about the COMICON countries and particularly the buildup of both their public relations with respect to the forthcoming meeting between Brezhnev and Nixon. They are talking about the trade of $125 billion worth over 20 years. This has been fairly well publicized by both their sides.

Is the legislation under which you operate adequate to enable Canada to participate in this kind of thing, which, essentially, I think, is going to be a barter arrangement? I have it from one of the prospective purchasers of LNG in the United States that they are probably going to pay $1.45 a thousand. That is pretty unusual when they are paying us 31 cents at the boundary today. I would take it that the machinery and full plants that will be shipped to the Soviet Union prospectively will be at a different price than if they were sold domestically.

I would fear that this could lead us on this continent to an immense amount of new inflationary pressure, but the details, of course, will be done by private firms and by, I take it, Soviet departments within the Soviet.

Now, what adequacy is there, if we are going to get a great splurge of this, because Mr. Brezhnev has said he is going to take the Soviet Union into the western economic world? Whatever that means, I do not know, and probably he will only find out as he goes along.

Senator Flynn: And so will we.

Senator Laing: But what adequacy have we for this sort of thing, should it become an immense influence in the world and an immense addition to the trade presently enjoyed by nations? Because, in my view, it could be fantastically immense.

Mr. Aitken: Just to show you what we have done, I will pick one country, Yugoslavia. It has state trading organizations. We have financed a number of sales to that country over the years. In total, we have financed $77 million there, starting back with our first one in June, 1969, when we insured a sale of $9 million worth of locomotives to Yugoslavia's state railways. We have also insured a flight simulator for a DC-9, by CAE of Montreal, to Yugoslav Airlines. We financed some locomotives from Montreal Locomotive Works—one was from General Motors Diesel in London, and the second was from Montreal Locomotive Works. We financed five chemical plants to an organization known as Soda-So from Chemetics International Limited in Vancouver. That is a subsidiary of CIL. They sold five plants valued at $21 million to five government entities in Yugoslavia. I think we are very well equipped to assist Canadian exporters trading with state trading entities.

It is true there has to be a *quid pro quo*. When General Motors made the sale of locomotives to Yugoslavia they had to agree to buy some Yugoslav hams. But that has nothing to do with EDC; we are just here to help exports. If, on the other hand, the exporter has to do something to help make the sale, then that is fine. But we are not involved in any barter arrangement; we will help it, but we do not take part in it.

Senator Laing: Do you expect this type of trade to develop enormously?

Mr. Aitken: Well, since if you want to sell you have to buy, I would hope that there would be an increase in our imports, thus helping an increase in our exports. If it requires state trading, then I do not see anything wrong with the Communist countries having state trading entities trading with our private importers and exporters. We are here to facilitate exports, and I know that Industry, Trade and Commerce are quite prepared to help our would-be importers.

Senator Laing: If a massive agreement comes to a conclusion between the United States and the U.S.S.R., do you think that there will be a guarantee by the government of the United States in respect of all of those shipments?

Mr. Aitken: To the extent that they are made on credit, yes; but they may be made on a cash basis. You recall that the Russians wanted to buy $500 million worth of wheat about six or seven years ago, and they wanted credit. Canada agreed to give them a measure of credit for part of the sale. We were instructed to provide insurance on that basis so that the banks would provide the financing. The Russians in fact paid in gold. They paid cash. They bought sterling in London for gold, and they paid us in sterling. So, we were not involved in any credit because they paid cash. To the extent that these discussions between Brezhnev and Nixon result in credit sales, I think the U.S. Government would be involved in guaranteeing the credits.

Senator Laing: Do you have adequacy in your legislation to compete for some of that business against the United States?

Mr. Aitken: Yes, sir.

Senator Connolly: Insuring American exports?

Mr. Aitken: No, Canadian exports. Senator Laing was referring to the forthcoming talks between Mr. Brezhnev and President Nixon, where President Nixon hopes to augment greatly the flow of trade between the two countries; and Senator Laing was asking whether we had facilities in our act to compete with that. I said we had.

The Chairman: But is that a full answer? Do you think the United States and Russia, in making this extensive trade agreement, are not going to define the origin of the products?

Mr. Aitken: I think there may be a sort of overall umbrella protocol; but I expect the details would be worked out between officials rather than at the political level. Just as in the case of the Algerian transaction to which I referred earlier, there was to be an exchange of letters and an aide-memoire signed by the two governments, expressing the basis on which the financing arrangements would be made, but the details of the arrangements are negotiated by us with our Algerian counterparts.

The Chairman: The question, then, would be whether you in Canada could get at the volume of business that may be generated between the United States and the U.S.S.R. You may have the facilities to do it, but are you going to get the chance to do it?

Mr. Aitken: I think so. I think our exporters are very aggressive. Canada's trade commissioner service abroad is without doubt the best in the world. We have the best foreign service of any country.

I go abroad to meet with my colleagues in other countries. We all belong to an organization called l'Union d'Assureurs des Crédits Internationaux, known as the Berne Union. We have our annual meeting in various countries in Europe each year, and I attend representing the Export Development Corporation. It is a technical body where we discuss policies, practices, procedures, premiums, claims, recoveries, et cetera, and when I explain how we go about getting recoveries and how we go about getting economic or credit information on buyers abroad through our trade commissioner service, they say, "Aitken, taisez-vous; you have told us so often that we are tired hearing about it." They are all envious of the tremendous service that EDC gets from Canada's foreign trade service.

Senator Hays: Mr. Aitken, do you think I could prevail on you to run as a Liberal in Calgary South?

Senator Flynn: Why South? Have you good memories of that riding?

Senator Laing: Are you involved in the sale by AECL to Argentina?

Mr. Aitken: Yes, sir, actively.

Senator Laing: Under what terms? This must be a very competitive field.

Mr. Aitken: It is, senator, and we are competitive—out in front. Canada is going to lend Argentina about $170 million to buy equipment in Canada, backed by the know-how and assistance of AECL, and orders will be placed with companies right across the country from Newfoundland to Vancouver Island with that $170 million. It will probably be built by Dominion Engineering, but all the other equipment will be placed right across the country. When we finance a sale to, say, Turkey, where the order for $10 million will be placed with Northern Electric, Northern Electric tells us that they place contracts with 3,500 sub-suppliers. So, where we finance a transaction, the business goes right across the country.

Senator Laing: What are the terms?

Mr. Aitken: It is going to take about five or six years to build the plant, and then they get 15 years to pay after that. So I will be long gone by then.

Senator Laing: What is the rate of interest?

Mr. Aitken: It is a competitive rate; it is in the area of 7 per cent.

Senator Laing: Are there any cosmetics involved in that?

Mr. Aitken: I think that is flat, clean and precise.

Senator Laing: I can quote you on that?

Mr. Aitken: We have not signed it yet.

Senator Flynn: Whether your terms are competitive or not depends, really, on the rate that the government sets.

Mr. Aitken: It depends on what the buyer wants. If Argentina wants to buy a CANDU reactor with natural uranium, then that excludes the United States which sells only enriched uranium.

Senator Flynn: But you will not make a loan on terms that will bring you a loss?

Mr. Aitken: We try not to, and on the average we do not.

Senator Flynn: Your objective is to make a small profit.

Mr. Aitken: Correct, and so we stay modestly in the black.

The Chairman: That is deliberate policy?

Mr. Aitken: Correct.

The Chairman: You are not in the money-making business?

Mr. Aitken: We are not trying to coin the dough; we are trying to stay in the black. As I say, today we are lending on the average at slightly more than 7 per cent, and money is costing us slightly less than 6 per cent, so we are building up reserves in case a particular country is unable to pay us, so that we will be able to finance the loss. As I said earlier, we have not had a loss in the long-term financing field yet, and I hope we do not. We have had to agree to roll over six debts, those six countries where, if we had not agreed to roll over, it could have been said we had a bad debt.

The Chairman: When the money comes to you from the government, when you are repaid . . .

Mr. Aitken: We pay back.

The Chairman: . . . that money has to go back into the Consolidated Revenue Fund.

Mr. Aitken: That used to be the case under the Export Credit Insurance Corporation, because we just lent on government account. As it is now, the EDC operates on its own: we borrow from the government and give them notes; then we lend to the foreign buyers and take the foreign buyers' notes. Whether or not a foreign buyer pays us, we have an obligation to pay the government.

Senator Flynn: Not to refund the surplus you may accumulate?

Mr. Aitken: Oh no.

Senator Flynn: If you were able to accumulate a substantial surplus, you could change the policy of the corporation and lower your rate of interest.

Mr. Aitken: Certainly. We are prepared, where there is an internationally competitive situation and where we are anxious to get the sale, to lend it at a rate that costs us money, where we may lose a little.

Senator Flynn: But you do not have enough surplus now to do that.

Mr. Aitken: We do it from time to time, but hopefully very modestly.

Senator Lang: I hope not so modestly. I say this because I think we will be faced with a very serious export problem in the years ahead, probably the most critical years to come. I hope EDC will recognize that, in its policies and the responsibilities it now faces to support our exports, even with higher proportions. It is very important philosophically that EDC look at the immediate future in those terms.

The Chairman: You mean, even to the extent that they might not make enough money to meet their notes that they give the government?

Senator Lang: If necessary.

Mr. Aitken: I can assure you, senator, that EDC is very competitive. We are out to get business.

Senator Hays: In your international group you have a certain code of ethics. For instance, I am in the livestock field, and we use export credits. Where you lend money to an exporter for three years and would not extend the period, do you find that the other countries we are competing against live up to this three-year period, or do they extend it?

Mr. Aitken: By and large, I can say they do. You are referring, for instance, to the cattle agreement?

Senator Hays: Yes.

Mr. Aitken: We have an international understanding that we will not insure beyond three years. The only country which has said it will not live up to that is the United States. Everybody else is in accord.

Senator Hays: What about West Germany?

Mr. Aitken: They do not export that much cattle; they are not big cattle exporters.

Senator Hays: We were financing some in East Africa, where we thought we lost the deal to West Germany. The importer said they were getting four or five years. You have a problem with the United States as far as extending up to five years?

Mr. Aitken: Yes. They believe that in certain circumstances it is appropriate for them to go beyond the three years; therefore they will not subscribe to the agreement. However, we are all aware of that, and we are all agreed that where we are competing with each other we will not go beyond three years; if any one of us is competing with the United States, we will match the United States.

Senator Hays: You do that?

Mr. Aitken: Yes.

Senator Walker: Isn't that pretty hard to do sometimes? I remember that India cut off our trade in 1960. I was in Kuala Lumpur and had to come back. Our trade was cut off. The trade of everybody but the United States was cut off in India. The United States extended very easy credit. They are ruthless about it. The only way to get it back was to face India with the fact that we would cut off all the gifts we made to them under the Colombo Plan, and we got it back in about ten minutes that day. The Americans were ruthless there. I suppose they are ruthless everywhere.

Mr. Aitken: They are pretty tough, but we are pretty tough too.

Senator Connolly: Senator Walker was tough.

Senator Molson: He is always tough.

Senator Walker: The Prime Minister was too.

The Chairman: I notice, Senator Walker, the witness did not accept your word "ruthless". He said that we are "tough". I take it that is a refinement.

Senator Walker: He did not suggest he was ruthless.

Senator Flynn: He has to be a diplomat; he cannot be quoted.

Senator Hays: Do you insure soft loans too?

Mr. Aitken: No, sir. That is CIDA. The Canadian International Development Agency does three things. First, it lends on terms where the buyer has seven years' grace and another 23 years to pay; they charge a rate of about three per cent. That is one type of loan. The second type of loan is where they lend on 50 years with no interest, and the buyer does not need to start to pay for ten years. A third thing they do is to make grants, where they give the buyer some money, but always to buy equipment in Canada. Those are the three things they do. But that is Canada's aid effort. We are not aid; we are trade.

Senator Hays: How do you determine these periods of three years and five years?

Mr. Aitken: We just follow international custom.

Senator Hays: There must be some formula whereby you say on a certain debt that you will only lend on three years or five years and will not extend that. Have you an amortization of some sort?

Mr. Aitken: It is really the development of international custom over the years. Maybe you could argue it should be only one year, maybe four years.

Senator Hays: What is wheat?

Mr. Aitken: Wheat is a cash commodity, but occasionally a foreign country will ask for credit. If Canada wants to sell wheat and international competition requires it, we give credit, and we insure it, but only on instructions from the government. We do not think it is a proper commercial operation to insure wheat on credit, so we do it only on government instructions and the government carries the risk. I should say that for all the hundreds of millions of dollars' worth of wheat we have sold we have always been paid.

Senator Hays: That is food.

Mr. Aitken: Yes.

Senator Laing: What is the breakdown between the East and West blocs? What are we doing in the East bloc?

Mr. Aitken: The Eastern countries?

Senator Laing: Yes, just the East. Would it be 10 per cent?

Mr. Aitken: In total?

Senator Laing: Yes.

Mr. Aitken: With regard to the financing of capital equipment, we have financed roughly $1 billion. We did $77 million to Yugoslavia; to Russia we did only $5½ million. We have done, say, about $80 million out of $1 billion–a little less than 10 per cent.

Senator Flynn: Those are the only two countries?

Mr. Aitken: No, we also did something in Roumania.

Senator Laing: Bulgaria?

Mr. Aitken: No. With Roumania we did $5 million, a chemical recovery unit for $2 million and a trisonic tunnel for their aeroplane industry for $3 million.

Senator Flynn: Czechoslovakia?

Mr. Aitken: We are discussing some transactions right now for Czechoslovakia. We insure exports to them, of course, daily, but we have not financed anything yet. We are prepared to; we think they are quite creditworthy. They pay.

Senator Laing: You made reference to our trade people abroad. I would substantially agree with you; I think a large number of them are superb, but in these Eastern countries we are doing it all from outside; I do not think we have anybody inside.

Mr. Aitken: We have an office in Prague, an office in Moscow, and an office in Warsaw.

Senator Laing: Trade?

Mr. Aitken: Yes, sir.

Senator Laing: I do not think it rates with the other group.

Mr. Aitken: Of course, it is a difficult area.

Senator Laing: Yes, it is.

Mr. Aitken: You are not dealing with private buyers as you are in, say, South America or Europe.

Senator Laing: But this is a field that will probably explode. Are we ready for it? This is my point.

Mr. Aitken: We have very good people in our Foreign Service, and I think the Department of Industry, Trade and Commerce is right on top of the situation.

Senator Laing: Have you got into any barter operations in these transactions?

Mr. Aitken: My understanding is that it is the official position of the government not to have official government involvement in barter arrangements. That does not mean to say the government will not help a private entity deal in a barter transaction, making switch deals and so on. We have several entrepreneurs who indulge in such transactions. Hopefully they do their end of the deal first, so they are protected. What we often find is that somebody comes to us and says, "We want to sell apples to Brazil and we are going to take oranges in return. Will you insure us?" I say, "Why don't you get the oranges first, and then send them the apples? "

Senator Lang: Is there any place for government in this sort of situation?

Mr. Aitken: It is the official policy of the government, I understand, not to get involved in barter, because, after all, if Brazil can sell us oranges and we can sell them apples, there is no reason why we should not pay them cash for the oranges and they pay us cash for the apples—that is what cash is for; rather than that we should ask them to ship us oranges and we then ship them apples and we set one off against the other. Certainly, I do not believe in barter. That is what currency is for, to pay cash for things, so that you can then get cash. Then you have cash, and you buy from someone and you pay cash.

Senator Laing: This proposed arrangement between the United States and the U.S.S.R. is going to be barter, but it is going to be sub-let to detailers in the United States and they will all be in private enterprise.

Mr. Aitken: And they will pay cash.

Senator Laing: Right, but it is against a commodity sold.

Mr. Aitken: In the United States it is difficult for them to do that, because they do not have state trading enterprises. I think this is all going to be a pious intention which might result in business. But the United States government cannot say to private importers, "You have to buy this or buy that." Neither can the Canadian government say it. That is why we do not get involved in barter. For instance, if the Poles buy wheat from us and they say to the Canadian government, "We want you to buy ham;" we say, "Our blessings on you, sell your ham." We have one of the most open markets in the world, but the Canadian government cannot buy their ham and cannot tell anyone to buy their ham.

Senator Laing: But you find someone who wants hams.

Mr. Aitken: That is right, and then you say, "Go ahead and buy your hams."

The Chairman: Following up on what Senator Laing has said, you have no guarantee that when the United States, the OAS, and the EEC and the U.S.S.R. are going to make an agreement, that they are not going to make it on some new kind of basis?

Mr. Aitken: It would be interesting to see.

The Chairman: And where barter may directly come into the picture and it is a question of having Canada ready for that.

Senator Hays: But, there again, it may be that GATT arrangements will provide for that international policing.

Senator Walker: The Americans could not do it without a change in their arrangements under GATT.

Mr. Aitken: I think it is a question of seeing what they really have in mind, whether it is a question of their trying to open their frontiers, so that they will have an increasing exchange of trade.

Senator Hays: It would be one of the useful aspects of this.

Mr. Aitken: Yes.

Senator Laing: I think it would go further than that. Each country desperately wants one thing: the United States desperately want energy; the Soviets desperately want machinery. After that you detail to the agency, your agency in the Soviet Union, and to private enterprise in the United States. If this works out, we had better be alert.

Mr. Aitken: Senator, we are very competitive pricewise. We have won many contracts internationally in direct competition with exports from the United States.

Senator Macnaughton: The U.S.A. is also setting up a bargaining tool for the EEC, I would imagine. "If you do not want to trade with us, we will trade with Russia, we will trade with Japan."

Mr. Aitken: That may be.

Senator Flynn: What kind of energy would the United States get from the U.S.S.R.?

Mr. Aitken: Oil.

Senator Laing: They are talking about frozen gas.

Senator Flynn: That is a good place to find it.

The Chairman: It would be a good political move, if you could do it, depending on the type of gas that you freeze. Are there any other questions?

Senator Molson: Looking at the statement of the EDC, I find it very informative; but I have been unable to get the cumulative figures on the "Highlights" on page 4. Performances in the years 1971-72 are set out, but I find it difficult to find anywhere in the report where these cumulative figures, which relate to the ceilings and so on, are set forth.

Mr. Aitken: The ceilings of course are current ceilings and relate to current outstanding business. We have an 850 million dollar ceiling.

Senator Molson: You also have a ceiling by law.

Mr. Aitken: We have an 850 million dollar ceiling; you are right, it does not show on that page of highlights.

Senator Molson: You start at the top and you have exports insured, credits insurance. What is outstanding?

Mr. Aitken: You have to look at the notes to the Balance Sheet to find that out. If you look there, you will see it shows under note 1, the very first note on page 18, on the left. The contracts outstanding are $319.8 million. That is under the $500 million ceiling. It is the last figure in paragraph 1.

Senator Molson: Wouldn't it be a nice idea to have that on the highlights?

Mr. Aitken: Very well, we will do that next year.

Senator Molson: What about the others? Are they all in the notes, too?

Mr. Aitken: Yes, sir.

Senator Molson: I must admit that I did not go through the notes in detail.

Mr. Aitken: We have a ceiling of $850 million. We had outstanding notes, $489 million. In the next one, the notes under section 31, there is $450 million there, and we had only $32 million out.

Senator Molson: Which is section 31?

Mr. Aitken: It is where we lend money on government account, where they carry the risk. We did that for Iran, $100 million; for Pakistan, $4 million, a sale of de Haviland Otters to Pakistan. Out of that we paid out only $32 million.

Senator Molson: So that is way below the ceiling?

Mr. Aitken: That is right. Then we have paragraph 4 again, the last figure here relates to wheat; and to large aircraft contracts with Peru and Brazil; and wheat sold to half a dozen countries; and that total is $330 million liability under the $500 million.

Senator Molson: Finally, you have the investing in force at the end of the year.

Mr. Aitken: That is correct.

Senator Molson: Thank you.

The Chairman: Are there any other questions? Our instruction was to study the operations. Do you feel that you have given us a fairly complete picture?

Mr. Aitken: Mr. Chairman, I think the questions have elicited a lot of background detail.

The Chairman: You did say something to me earlier, that questions had been asked in various places about your operations. Have we covered them today?

Mr. Aitken: By and large, yes, sir.

Senator Molson: What did we miss?

Mr. Aitken: One thing you did not ask about was the criticism that was made, I believe, in the other place, that we seemed to be involved with large multinational concerns. The suggestion was made that we should not be lending to a Brazilian buyer where that buyer was in turn owned by Brascan. Our response was that we are set up to promote Canadian exports and, provided that the borrower in Brazil is creditworthy—and in this particular case we have the guarantee of the government of Brazil,—and we lent them, I think, $28 million which they are going to spend in Canada for Canadian capital equipment to expand their electricity distribution system. Just because it happens to be owned in large part by a Canadian company is no concern of ours, in my opinion, and in our board's opinion, and our board approved this particular credit in the knowledge that it was a subsidiary of a Canadian entity. As a matter of fact, I think it is a first-class arrangement because they will spend money in Canada for Canadian capital equipment, and we will get paid.

Senator Cook: That is a good kind of investment.

Mr. Aitken: Yes.

Senator Connolly: Is there any way of knowing what percentage of your business is done to facilitate the purchase of capital equipment in Canada, as opposed to the purchase of commodities in Canada?

Mr. Aitken: Senator, we finance, but where our financing is provided it is only for capital equipment.

Senator Connolly: It is only for capital equipment?

Mr. Aitken: Yes, sir, only for capital equipment; but the insurance is for all sorts of commodities.

Senator Connolly: All right, let us take insurance. What percentage relates to insurance sales of capital equipment categories as opposed to sales of commodity categories?

Mr. Aitken: Ten per cent.

Senator Connolly: The general question I wanted to ask is: In the facilitation of exports of capital equipment, do you ever feel that by doing this you ultimately are exporting Canadian jobs? I am thinking here of competitors who are manufacturing with our capital equipment commodities that could be manufactured here. Is it a problem?

Mr. Aitken: I do not think it is a problem, senator. With respect to the export of capital equipment, let me take a particular example which I referred to earlier, namely, our sale of a pulp and paper mill to Chile.

Senator Connolly: That is what I was thinking of.

Mr. Aitken: We did that in 1961. We had complaints from Canadian pulp and paper producers that we should not have done so. We pointed out that if we had not done it somebody else would have. That is the first point.

The second point is that where we do it and Canadian manufacturers of that equipment get business, then, hopefully, they will improve their competitiveness through doing more business and they will sell other equipment abroad. Then, also hopefully, their prices will be lowered thereby, or their facilities will be improved to the extent that the manufacturers of pulp and paper will be able to buy better, more sophisticated equipment at lower prices and thus themselves become more competitive.

Senator Connolly: That helps the manufacturer of the equipment, but not the pulp and paper companies.

Mr. Aitken: It does not directly; but ultimately it does indirectly, because if Canada does not export pulp and paper machinery, then Germany or Finland will do so. We might as well get that business. If the pulp and paper manufacturers complain, then they just have to become more competitive.

It is a funny thing, but the pulp and paper field, as you senators probably know better than I, is either a feast or a famine. As recently as last September it was a buyers' market in pulp. You could not sell pulp for anything, but today you cannot buy pulp. The pulp manufacturers are sitting back enjoying themselves. It is a sellers' market in pulp today.

Senator Laing: You can buy it if you are willing to pay.

Mr. Aitken: You can get anything for a price.

The Chairman: If there are no further questions, I would like to thank Mr. Aitken very much on behalf of the committee.

The committee will be making a report, Mr. Aitken, and it will be up to the committee to decide what form that report will take. Perhaps the form will simply be to say, "Attached hereto is a transcript of the study." We would simply embody that in the *Hansard* of the day as a permanent record. That might be the best way of doing it, instead of trying to paraphrase what has been said here today, because the questions have been direct and we have been very happy with the conciseness of Mr. Aitken's answers.

Mr. Aitken: Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Aitken.

THE SENATE

Tuesday, June 19, 1973

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

Prayers.

MADAM INDIRA GANDHI PRIME MINISTER OF INDIA

VISIT TO PARLIAMENT—CONGRATULATIONS TO SPEAKER OF THE SENATE

Hon. Paul Martin: Honourable senators, I am sure we were all this morning very pleased to welcome the Prime Minister of India when she addressed both Houses of Parliament in the other place. I have risen at this time to say to you, Madam Speaker, that we were proud of the way in which you discharged your duties this morning, in expressing to this distinguished Prime Minister our satisfaction at having her as a guest. We were indeed proud of you.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: May I say that I share the sentiments expressed by the Leader of the Government.

The Hon. the Speaker: Thank you very much.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on the operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1972, pursuant to section 9 of the said act, chapter H-8, R.S.C., 1970.

Revised Capital Budget of the Canadian Saltfish Corporation for the fiscal year ended March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1973-393, dated February 15, 1973, approving same.

Capital Budget of the Canadian Saltfish Corporation 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 copy of Order in Council P.C. 1973-394, dated February 15, 1973, approving same.

Report of the President of the Medical Research Council, including accounts and financial statement certified by the Auditor General, for the fiscal year ended March 31, 1973, pursuant to section 17 of the Medical Research Council Act, chapter M-9, R.S.C., 1970.

Copies of final communiqué issued following the Ministerial Session of the North Atlantic Council, held at Copenhagen, June 14 and 15, 1973.

CRIMINAL CODE AND NATIONAL DEFENCE ACT (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—FIRST READING

Hon. John M. Macdonald presented Bill S-8, to amend the Criminal Code and the National Defence Act (total abolition of capital punishment).

Bill read first time.

Hon. Mr. Croll: Honourable senators, may I ask what the bill is all about?

Hon. Mr. Macdonald: It is a bill to abolish capital punishment wholly and forever.

Hon. Mr. Croll: Total?

Hon. Mr. Macdonald: Total.

Hon. Mr. Croll: Okay, you have got a supporter.

Hon. Mr. Macdonald moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

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 Thursday, June 21, 1973, at two o'clock in the afternoon.

As announced last week before the weekend adjournment, this motion is warranted by the heavy schedule of committee work to be done and because so many senators will be sitting in committee on important legislation.

Motion agreed to.

HEALTH, WELFARE AND SCIENCE

CHANGE IN COMMITTEE MEMBERSHIP

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

That the name of the Honourable Senator Langlois be substituted for that of the Honourable Senator Thompson on the list of senators serving on the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

JUDGES ACT

BILL TO AMEND—THIRD READING

Hon. Paul Martin moved the third reading of Bill C-177, to amend the Judges Act.

Motion agreed to and bill read third time and passed.

NATIONAL HOUSING ACT

BILL TO AMEND—SECOND READING

On the Order:

Resuming the debate on the motion of the Honourable Senator Bourget, P.C., seconded by the Honourable Senator Denis, P.C., for the second reading of the Bill C-133, intituled: "An Act to amend the National Housing Act".—(Honourable Senator Walker, P.C.).

Hon. Rhéal Bélisle: Honourable senators, may I have permission to speak instead of Senator Walker?

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

Hon. Senators: Agreed.

Hon. Mr. Bélisle: Honourable senators, in rising to take part in this debate, I do so with some trepidation because it is a matter of such importance concerning all Canadians that we must put forward our best knowledge and technology so that every Canadian will continue to be proud of his ownership.

I listened with great interest to Honourable Senator Bourget's able presentation of this bill, and I read his comments again last night. If I may be permitted to say so, he did a splendid job in presenting it. He put so much icing on the cake, however, that at first glimpse every Canadian would be ready to have a slice. While I was reading his remarks, it dawned on me that Senator Bourget was continuing in his fine tradition of serving the best even when he does not have all the necessary ingredients. My thoughts went back to the days when he was performing so ably as our Speaker.

Hon. Senators: Hear, hear.

Hon. Mr. Bélisle: It is said that the new bill to amend the National Housing Act is designed to bring housing within the reach of more Canadians, that it is designed to create new communities across the country, to provide aid to co-operative and non-profit housing organizations, to improve and preserve existing neighbourhoods and to protect home purchasers. At first glance these programs, along with the others included in the bill, appear to attack the national housing problem on a wide front. On closer examination, however, it can be seen that important influences that infringe on a beneficial housing policy have not been considered or, at least, have been set aside for the time being. Furthermore, two or three of the programs that appear on the surface as practical and reasonable, may cause problems in their implementation. Only time will tell how they will evolve and of how much value they will be. In particular, I would like to direct attention towards the faults inherent in the land assembly program, the home buyer protection clause and the new communities program.

● (1410)

One of the most critical factors in the cost of housing today is the price of land and the cost of servicing that land. Under the land assembly program, the federal government commits itself to making available $100 million a year over the next five years for the public assembly of land. This is aimed at reducing land prices and contributing to the availability of housing over and above the other programs of the National Housing Act directed towards the construction of new dwellings.

On the surface this program appears to be a good idea. Many feel, however, that the amount of money allotted is too little and will not have much effect. The most suitable and desirable land around major urban areas is already privately owned, and expropriation of these properties, at a price set by the government, would result in widespread disruption and disapproval. Consequently, the land will have to be acquired at today's market prices and this will involve huge outlays of money. Furthermore, it will be difficult to estimate what the value of this reserve land should be—if and when enough of it is acquired. The cost of home ownership will only be reduced if the government resells or leases the land below its market value. If this is done, property values will be generally depressed and there will be an outcry from those who already own their homes and who will see their property investments fading away.

Buying a home is the single largest purchase ever made by most Canadians. Consequently, the amendment which incorporates a national system of housing warranties is a good one. The mortgage insurance feature provides that the Central Mortgage and Housing Corporation will be able to advance funds to a home purchaser where the builder, operating under a National Housing Act insured loan, goes bankrupt or becomes insolvent before completing the house. Such a warranty allows a purchaser to have his home completed by another contractor and to satisfy any liens or privileged claims he may have been liable for.

While this provision is an encouraging step in the direction of house buying protection, it contains one fault and does not go far enough. The fault lies in the fact that the warranty applies only where the builder is insured under a National Housing Act loan. Where he is not, there is no protection. Secondly, there is no insurance against shoddy workmanship or faulty materials which, in turn, cause inconvenience, frustration and high maintenance costs for many home purchasers.

A clause permitting a home buyer to claim from the mortgage insurance fund up to five years after completion of his home for poor materials and workmanship should be given future consideration.

The new communities program, designed to promote the development of regional growth centres, will enable the federal government, in agreement with the provinces, to provide essential public facilities, open space, and transportation corridors for new communities. The government can assist provinces either through a loan or a partnership cost-sharing arrangement. Additional grants are also available for new community experimentation in such fields as urban transportation and communications, new management ideas in community development, et cetera. One danger here is that there is no comprehensive and effective transportation policy, yet a new communities program must be accompanied by a realistic and operational urban transit system. Again, regional growth centres must be carefully selected from the point of view of the individual's willingness to settle and live in such centres. It would make a mockery of the program should the federal government be obliged to put pressure on Canadians to settle in places selected by planning bureau-

crats, and in which people were not particularly interested in living. The best example of such situation is the imposing city of Brasilia, built in the jungle wilderness of Brazil at a cost of many millions and to which few citizens of that country have voluntarily gravitated. Experimentation in new building designs and techniques must also be carefully developed so that Canadians are not obligated to purchase housing that does not conform to their "traditional dreams" of a family home.

The increase in the Bank of Canada's prime interest rate, announced almost in conjunction with the passage of the amendments to the National Housing Act in the House of Commons, can only raise mortgage interest rates and reduce the positive effects of this bill. It has often been asked why interest on housing mortgages cannot be established at a fixed and equitable rate and divorced from the marketplace. The uncompromising answer is that people and institutions with money to lend will invest where the interest rates are highest. Thus, should mortgage rates be fixed lower than the going market rates, little or no moneys would be available for mortgages. To alleviate this trend toward higher mortgage rates, the government might give consideration to permitting homeowners to deduct a portion of their mortgage interest and property taxes from their federal income tax. Such a move could be designed so as to counterbalance a high mortgage interest rate and, in effect, create a fixed one without causing any imbalance in the marketplace. Such a move would be of real assistance to homeowners and prospective homeowners. However, as far as is known, little thought or study has been given to such a proposal although it has been a prevalent practice in the United States for some time.

● (1420)

Another timely benefit to the housing policy would be the removal of the 11 per cent sales tax on construction and building materials. It is said that the specialist trades in the construction industry would only strike for higher wages, thus nullifying any beneficial effects through the reduction or elimination of the tax. This is doubtful, along with the argument that the construction industry is in the midst of a boom and requires no further incentive through a sales tax reduction.

Many of the programs in this bill have not been mentioned, but they seem to be worthwhile and forward-looking; for example, the neighbourhood improvement program, the rehabilitation and conversion of existing residential buildings program, and the co-operative housing aspects under the loans to facilitate home ownership programs. All these programs should help to relieve the situation over a period of time. It needs to be emphasized that the bill is only a step in the right direction, that there is still some distance to go, and that there is no single solution to the national housing problem.

Hon. Orville H. Phillips: Honourable senators, in rising to participate in the debate on Bill C-133, I am happy to join in the time-honoured tradition of thanking the sponsor and complimenting him on his explanation. In watching Senator Bourget, I noticed that he seemed unusually happy and contented when introducing the bill, and I thought he must have gone to one of those sessions on yoga, or something of that nature, which is popular within the Liberal Party these days. I thought that that was what made him appear so happy. His soul seemed to be in harmony with the bill.

[Hon. Mr. Bélisle.]

Unfortunately, Senator Bourget, I do not think the bill transcends all the problems that exist in housing today. However, you did an excellent job, and, if I may, sir, I would urge you to continue your lessons.

Last fall, after a rather surprising turn of events at the polls as far the government was concerned, various cabinet ministers went through a period of reappraisal of their programs, and quite naturally every cabinet minister said, "Well, if I had had more money I could have made such and such a program successful." There is nothing new in this. That has been our history since Confederation.

Mr. Turner was anxious to keep the budget within line—after all, he was facing a $2 billion deficit in the unemployment insurance fund—and he had to cut down on requests for money. He looked at the various ruffled feathers and hair sitting around the cabinet table, he looked at the Minister for Urban Affairs, and, feeling like the Brylcreem advertisement, he said "A little dab will do you." This is what we have in the bill, a little dab here and a little patchwork there, but no one has stopped to assess the situation and to review what is really needed in new legislation. We have a little dab, a little patchwork, an additional grant here, a little subsidization there.

Admittedly, on the surface it appears as though we are moving in the right direction, but one of the greatest problems with the present legislation is that there are no clear-cut guidelines. Any mortgage broker, any municipality, any province, can approach the Central Mortgage and Housing Corporation. It is just like extracting eye teeth to get a decision from Central Mortgage and Housing. Indeed, the lawyer appearing on behalf of the City of Toronto before the committee of the other place said that he would rather have guidelines for the present legislation than these amendments. If he had guidelines setting out the areas in which he could operate, he would be content to operate under the present legislation until such time as it is reviewed. This legislation does nothing to clear up the misunderstanding, the misinterpretation or, probably more correctly, the lack of interpretation of the regulations.

In considering the urgent need for housing in Canada, we are faced with a number of rather disturbing facts. The first fact, which is rather difficult to believe and rather discouraging, is that in the last five to six years housing costs in Canada have increased by 113 per cent. Honourable senators may ask my authority for making that statement, and I can inform the house that in that connection I am quoting the Minister of Urban Affairs.

Let us relate that increase in housing costs to income. In 1961, under a Conservative government, the average salary requirement for a Central Mortgage and Housing home was $5,300. Ten years later, the salary requirement to purchase that same home was $16,500. As a consequence, over the past 10, 15 years, we have been quoting all sorts of platitudes about the right of every Canadian to own his own home, to purchase that little part of Canada that is going to be his own. The essential fact, honourable senators, is that less than 4 per cent of Canadians can afford to purchase their own home today. Many young married couples have worked for a period of years in an attempt to

save the average down payment on a home, which is $7,000, and, having become completely discouraged, have now either moved into public housing or accepted the fact that they will have to live in some sort of rental accommodation. During this time, Parliament has done very little to assist those people.

Even more recently, the situation has become more discouraging. Interest rates have increased four times in the last four months. We are used to getting the unemployment insurance figures and the cost of living index on the first of the month. We now add to those a third one. We now want to know by how much the interest rate increased in the previous month.

It is small wonder that the various provinces are now calling for some restraint on the interest rate. They are suggesting that the 2½ per cent allowed under the National Housing Act be modified and brought more in line with the rate of Central Mortgage and Housing Corporation.

● (1430)

In addition to the increased cost of housing and interest rates, today's purchaser faces the very serious problem of inflation. We are all accustomed to reading of new labour contracts and thinking "Over a three-year period these guys are getting a very good break." Let us stop and look at the position for the last three months. The cost of living increased 7.7 per cent; the average wage increase in contracts negotiated in the last three months was 7.5 per cent, so the average wage earner is falling behind. In fact, he had approximately $10 a month less to spend in the first quarter of this year than he had last year. This is not a new problem. It has been a very acute one for the last five years, and it is quite easy to see that the wage earner, despite his increases, actually has an effective purchasing power of $400 to $500 less per year than he had five years ago.

Having dealt with some of the problems facing the home purchaser, I should like to deal more specifically with some of the amendments proposed in Bill C-133. The first one mentioned by the sponsor, Senator Bourget, concerned the 40-year amortization. It is quite true that a 40-year amortization will reduce the monthly P.I.T.—principal, interest and taxes—paid by the average family and bring the monthly payment within the rough rule followed by the mortgage companies, that a home should cost no more than two and a half times the annual salary. I wish to question the wisdom of a 40-year amortization. First, I doubt very much if many of the homes that are thrown together now, put up overnight, will last 40 years.

Hon. Mr. Bélisle: Not even ten years.

Hon. Mr. Phillips: You are quite right; they will not last even ten years. After ten years the maintenance of these homes will become a very serious problem to the individuals who purchased them.

Secondly, I should like to make a comparison with respect to the final cost of a 40-year amortization. Let us assume that the mortgage is $25,000, and for comparison sake we will take a 6 per cent interest rate. The eventual payment on that home will be $75,500. If the interest rate moves up to 9 per cent—and you will not get money at 9 per cent today—the eventual cost of that home will be $101,000. The difference between the 40-year amortization at a 9 per cent interest rate and a 6 per cent interest rate is $25,000, or the amount of the mortgage in the first place. With a 25-year amortization at 6 per cent the total cost is $48,000; at 9 per cent interest the total cost is $62,100, a difference of a little over $14,000.

The difference between a 25-year amortization as opposed to a 40-year amortization at 6 per cent is $27,500, or approximately $1,800 per year for the 15-year period. At a 9 per cent interest rate, the difference is $39,000, or about $2,600 per year. This is a very high price to pay for being in the low income bracket or, as this bill says, in the moderate income bracket. When we consider that 40 years is the average working life of an individual, at the end of 40 years he has already paid for his home three to four times, and may still not own it. Surely we can come up with something better than this.

One of the amendments proposed in this bill—indeed, it was proposed by the party that I support—was that the interest rate be not more than one-half of one per cent above what the federal government was paying on Dominion of Canada bonds. Reading the debates in the other place, one gets the idea that they were hoping for a 6 per cent or a 6½ per cent interest rate. On July 1 this year, which is drawing close, the federal government will issue $175 million in bonds, bearing interest at 7¼ per cent. Add the half point to that and you have a minimum interest rate of 7¾ per cent. All the hope of a 6 per cent interest rate is gone; it was a complete pipedream.

Under clause 12 of the bill, proposed section 34.16 of the act deals with subsidization, or bringing the annual payment on the homes of those people supposedly in an income bracket of $7,000 to $10,000 per year within 22 per cent of their total income. The minister used the example of a family with two children, earning $7,500 per year. They would have about a $40 a month reduction in their P.I.T. payments, based on a $19,000 home. I do not know where you will find a $19,000 home today, but that is beside the point. The minister's calculations were based on a payment from the federal government to this family of $40 a month towards their mortgage payments, or their P.I.T. This amounts to $480 per year. If you continued that for 40 years, the federal subsidization would amount to $19,200, which is more than the mortgage was in the first place, and the individual would still continue to make payments of approximately $140 a month. Therefore, it might be wise to review this whole procedure, give the individual a certain amount outright, and reduce the cost of the home to him—because in administration you could add an additional one per cent per annum to the federal contribution.

● (1440)

Senator Bélisle touched in his remarks on what seems to be an alternative to land assembly, that is, that we follow the United States pattern. There, the municipality puts up a housing development and issues debentures at a lower rate of interest than that prevailing in the marketplace. However, the purchaser has the advantage of this being income tax free, because the debentures are either municipal or state bonds. Thinking it over, we pay interest of 7 or 7¼ per cent on our Dominion of Canada bonds, and on that the purchaser must pay income tax. I wonder how much it costs the federal government to collect the income

tax on Dominion of Canada bonds. That would be an interesting study, when carried to its full length. I feel we would be better off to follow the American pattern than the one we are following at present.

Honourable senators, without opposing subsidized housing, one can see certain problems arising, and I would like to see them clarified here and now so that people will know what their position will be in the future. What happens if someone purchases a home on a subsidized basis and then wishes to buy a larger home or, because his firm moves him to another city, he must sell? Under what terms can he sell? What happens to the subsidized mortgage? To whom can he sell?

I mention this because of problems that arise in the United States over their veterans' legislation. They have had a very successful program whereby someone who has served in the armed forces of that country can purchase a home at a very low interest rate. However, when he wishes to sell, he has to sell to someone eligible for the same interest rate, otherwise the home must be remortgaged and refinanced. Then it is refinanced at the highest rate of interest and this makes it almost impossible for certain individuals to sell the home.

What happens in the case of an individual working in the Public Service as a grade 2, who tries a competition and is promoted to Grade 4? His salary increases. What happens to his mortgage payment? How is that spelled out in the agreement? Unfortunately, I can find nothing in the bill that spells that out. This does not mean that someone more conversant with the law than I could not find it, but I would like to have that explanation.

The minister kept referring, throughout his explanation, to a salary of $7,000 to $10,000, but really that was never spelled out and it is not spelled out in the legislation. Before giving consent on third reading, I would like to have some indication that it will be spelled out. What is low income? Is it $7,000 to $10,000? If so, what is moderate income? It is only fair that we should ask these questions and have this clearly defined now rather than wait until the summer recess to pick up a newspaper and find figures we do not agree with, when it is too late to do anything about it.

The bill, as well as the announcements of the minister, makes a great deal of the fact that many older sections of cities, instead of being bulldozed, flattened out for high-rise buildings, can be rehabilitated and still provide very liveable accommodation and be much sought after as such. The idea is a good one but it will be very difficult, following the wording of this bill in the proposed new section 27.1, to establish criteria that will apply to every city from St. John's to Halifax to Montreal to Toronto to Vancouver. I find it difficult to envision criteria that will cover the needs of every city, if the bill does not specify that there can be different criteria, if it states that the corporation will establish criteria. If you have been following the various so-called tri-level conferences on housing which are so popular these days, you will realize that the municipalities feel they should have considerably more say in establishing these criteria and also the basis and the area for the so-called neighbourhood improvement program.

[Hon. Mr. Phillips.]

Honourable senators, I should like now to refer to the bill and give some examples. The proposed new section 27.1(2)(a) provides that the corporation may enter into an agreement with a province, which agreement shall set out the criteria upon the basis of which neighbourhoods in respect of which contributions or loans are to be made may be selected, and so on. But, according to section 27.1(2)(c), the municipality in which that neighbourhood is located must advise the corporation of the manner in which it proposes to obtain the participation of the residents of that neighbourhood in planning and carrying out the project.

We are all familiar with the rows which have developed in cities. A hundred people come together to discuss plans for improving their neighbourhood, but it would take a genius to get them to agree unanimously to something They usually end up splitting into three or four groups, and neighbour does not speak to neighbour for the rest of the year.

Then, I look at this one. The municipality is improving the home. It can be below the minimum standard, and a municipality, co-operative group or non-profit group will move in to improve this home to bring it up to the minimum standard. But, regardless of how noble their thoughts are, they are going to run up against a bureaucracy, and a very adamant one in that regard, I am afraid.

● (1450)

Despite the fact that these people are trying to help this individual, they are also expected under this legislation to compensate him for any inconvenience he has had while being helped. To me that is going just a bit too far. You will find reference to that on page 6 of the bill at line 35, where it says that the individual "will be compensated for any expenses arising from the dispossession". The dispossession, of course, means while his home is being remodelled and repaired for him.

Moving on to the new section 27.2 on page 7, which has to do with the selection of neighbourhoods, it says that the "Corporation may approve the application and make a contribution to or for the benefit of the municipality in an amount not exceeding (a) fifty per cent". That does not mean they are going to get 50 per cent. It is more likely that they will get 35 per cent or 40 per cent. But I would suggest that you have a look at the regulations laid out there. Can you imagine a small town or small city in Canada entering into an agreement with all those stipulations laid out in favour of the corporation? When you read that, it makes you think that the municipality or the province is a beggar.

Going on to section 27.2(b) it gets down to 25 per cent, and they are just as adamant. "You play ball according to my rules or I am going home," is exactly the way the corporation and the government are acting under this legislation.

I can foresee endless negotiations. I can foresee that experts from CMHC will go to Quebec City during the winter carnival or to Vancouver when the daffodils are out, and so on, at times convenient and interesting to them, to look at these projects, and I can foresee that they in turn will invite city representatives to come to Ottawa to discuss the situation.

Another item dealt with under non-resident ownership is that, if a person owns a house which he is renting out, he may obtain a loan and receive a forgiveness of a portion of that loan if the loan is used to modernize the home. In turn, however, he must enter into an agreement with the Central Mortgage and Housing Corporation so that the rent from his home will remain at a certain rate and will not increase beyond a certain amount—this despite the fact that that landlord in all probability is investing five times as much as the amount of the loan. In these circumstances I can imagine that very few landlords owning cheap, aged, run-down homes would enter into negotiations with Central Mortgage and Housing Corporation in that regard, because when provinces and municipalities cannot get guidelines I cannot think an individual will get one.

I find that the assistance to non-profit organizations is very generous, and I am pleased with the 10 per cent forgiveness provided in the bill. However, there is somewhat of a contradiction here, in that all the subsidization—all the renewal, rehabilitation, neighbourhood improvement, and so on—was supposed to eliminate our problems in housing; nevertheless, we are still turning to volunteer non-profit organizations. I simply ask you this question, honourable senators: If this act will do one-quarter of what it is supposed to do, why do we need non-profit organizations to look after housing for Canadian citizens?

Perhaps I misinterpreted the remarks of the sponsor of the bill, but I understood him to say that homes for the elderly would receive special attention at a later date. That raised one question in my mind. What happens in the case of an application made on behalf of a nursing home? That is an important question. As honourable senators realize, in certain provinces nursing homes are operated by provincial crown corporations, while in other provinces they are operated on a private basis. I believe that in both Ontario and Quebec, our largest provinces, they are operated on a private basis. If we are going to reduce mortgage rates for anyone, surely we should reduce them for those who are aged and disabled and not pass the full responsibility for those people on to the provincial governments.

In the past, honourable senators, you have heard me complain many times about passing so-called enabling legislation. With this bill we are still doing that. I ask you to look at the bill and see how many times it says, "according to regulations established by the Governor in Council", and "criteria established by the corporation". The great weakness in this bill is that so much of it depends on agreement with the provinces, and, as you know, negotiations with the provinces of late have not been exactly 100 per cent successful.

I found it even more interesting to discover, when going into this matter of negotiation with the provinces, that the province of Quebec has had a special agreement for the last three or four years. The other provinces in Canada have not had the same agreement or the same benefits. Do you expect the other nine provinces to come and sit at the same table with the province of Quebec and accept an agreement that is different from that which has already been in existence with the province of Quebec? Naturally, they are going to ask for the same agreement. Why shouldn't they? All Canadians are entitled to equal treatment.

● (1500)

Honourable senators, in beginning my remarks I made two resolutions; one was to be brief, and the second was to be nice to Senator Martin. Now, I have not annoyed Senator Martin, but I have possibly transgressed on the point of brevity. Nevertheless, I should like to draw your attention to the proposed section 45.1(2), which causes me considerable concern. It deals with new communities and lays down the conditions under which the federal government may grant loans to provinces, and through the provinces to the municipalities, for acquiring land for new communities. These, in effect, are the so-called land banks. The item to which I refer reads as follows:

> (2) No agreement shall be entered into pursuant to this section unless the province indicates its plans for urban growth, including the location, size and order of development of other new communities, and the plans are satisfactory to the Corporation.

Honourable senators, can you imagine the province of Ontario, the province of Quebec, the provinces of Alberta and British Columbia or, indeed, any other province, submitting in advance to Central Mortgage and Housing Corporation their development plans? I have listened to honourable senators in this chamber express great concern at the fact that the Senate can have a veto over legislation from the House of Commons. But I have not yet heard a word from those same senators who are, in effect, by this clause, giving a crown corporation an absolute veto over provincial planning which, under our Constitution, is a responsibility of the province and not of the federal government. I see no reason why the provinces should have to humble themselves by submitting their plans in advance to a crown corporation.

One clause in the bill which pleases me greatly, honourable senators, deals with the authority of the corporation to make loans to Indians on reserves. However, my attention was drawn to a somewhat different situation last week when a group of Métis people were meeting in Ottawa. Let me say that I have tremendous respect for the Métis, and I accept their own definition, that they are not low man on the totem pole because they are not even on the totem pole; they are around the corner. They are not eligible for housing benefits under the Indian Act, or under any act. The have formed organizations in about 11 centres across Canada with a view to creating non-profit housing groups. I mention this because I think it is time that we gave some special consideration to the Métis as well as to the Indian.

Honourable senators, I shall conclude my remarks by saying that I really do not believe that the government, the Minister of State for Urban Affairs, or anyone else, believes the optimistic statements issued since about last November concerning the effects of this bill. This is very obvious if one looks at the budget of the corporation for the year 1973. The total budget is $1 billion. Neighbourhood improvement schemes account for $1 million of that; rehabilitation accounts for $6 million; and co-operatives account for $2 million, making a total of $9 million. This is out of a budget of $1 billion. It does not take an economist, a mathematician or a computer, honourable senators, to

realize that we are dealing here with less than 1 per cent of the total budget of the corporation for the year 1973, and I think that this is a rather pitiful effort on the part of this government to meet a lot of our housing needs. Those three programs constitute $9 million—$9 million out of $1 billion. If you are satisfied, honourable senators, I am not.

Hon. David Walker: Honourable senators, I want to congratulate my friend and colleague, Senator Phillips, who has gone into the interpretation of the bill in some depth, and has made a considerable contribution. I also want to congratulate my old friend and colleague on the other side, Senator Bourget. Our roles are reversed now, in that he has introduced this bill whereas back in the late 1950s and early 1960s, when I happened to be Minister of Housing as well as Minister of Public Works, he was my severest critic. What an able critic he was, and what a good-natured one. It is a credit to this house to have as a member a man of his calibre—one who combines the charm of a Frenchman with the manners of an English gentleman.

Having said that, honourable senators, may I say a word about the bill which he has sponsored. The Central Mortgage and Housing Corporation has been a fabulous organization. It was organized by that great man, David Mansur, many years ago—before either Senator Bourget or I entered Parliament. He had a great vision, and that vision was of the Central Mortgage and Housing Corporation helping to provide homes for low-income families. As a matter of interest, David Mansur is still alive, and is now president of Kinross Mortgage Corporation in Toronto. I might also mention for the benefit of those on the other side that he was, and still is, an ardent Liberal. But the contribution which he made to the Central Mortgage and Housing Corporation, the high standard he set, and the many things which he accomplished for the corporation, have contributed greatly to its reputation.

Dr. Bates was an able successor, and both Senator Bourget and I served with him. I should say that I succeeded the late Mr. Winters, and I should also add that Senator Bourget was his executive assistant.

● (1510)

But where is the Central Mortgage and Housing Corporation going? I see it has a new president, William Teron. I do not know who he is, and shall not make any remarks about him. I hope he will be a tremendous success, because success is needed. It is not satisfactory that this corporation should be directed by one minister after another. I understand that the former president of Central Mortgage, Mr. Hignett, used to joke about the number of ministers under whom he had served—I believe eleven in all. This makes it very difficult for a president to give any direction to the corporation. It also sometimes makes it appear that the minister is interfering unnecessarily with the working of the corporation.

The bill has been explained in great detail by Senator Bourget, and fairly criticized by Senator Phillips. I did not hear my other colleague, Senator Belisle. I will say, however, that the bill has been explained in great detail in the House of Commons. It has been amended many times, and has now passed that house. As one vitally interested in this bill, I am in favour of its principle and, generally speaking, the bill itself. I hope the bill will be referred to the Standing Senate Committee on Banking, Trade and Commerce, under the chairmanship of Senator Hayden, which will consider it thoroughly. We shall have the opportunity to ask questions and clarify many details at that time.

I am glad that the government is at last, after all these years, again focusing attention, as we used to almost primarily, on low-income housing. Over the past ten years one of the main objections has been that low-income housing has never been taken care of properly. It is very important that at last this act will contain sections which make it almost obligatory for Central Mortgage and Housing Corporation to direct most of its efforts—its greatest efforts at least—to low-cost housing for the low-income groups in our population.

Much publicity was given to the removal of the sales tax on building materials by the Dominion and the provinces, suggested by a former prime minister of Ontario, Mr. Robarts. I do not go all the way with that suggestion, because the government must obtain its revenue from some source. I do not believe this has been mentioned before, but is there any reason why those engaged in the building of housing designated for low-income families should not have the privilege of buying building materials free of sales tax? That would be of great assistance in view of the amount of sales tax involved in every house. I would ask my friend, Senator Bourget, to transmit my suggestion to the very energetic new minister, the Honourable Mr. Basford.

The bill has been dealt with thoroughly, and I intend to make my comments brief. I shall refer first to Part IV.2, Loans to Facilitate Home Ownership, clause 34.15. To summarize, this provides for a repayment term of 40 years for loans which will be made at a reduced interest rate, close to that rate at which CMHC borrows. You cannot ask for anything better than that. It provides for federal grants if necessary, within tolerable limits, to assist in making the monthly payments. In other words, if a person, due to the low level of his income, has difficulty in maintaining the payments, the act will provide for a grant of money as assistance in making them.

With respect to the bill as a whole and the introduction of these additional clauses, I must caution that we must take care that scoundrels do not avail themselves of its benefits in the guise of being "do-gooders." I refer particularly to clause 7, which introduces a new section 15.1 to the act, in connection with loans to non-profit corporations for the construction of housing. This amendment provides for loans to private, non-profit organizations from 95 per cent of the lending value to 100 per cent. The loans may be repaid over a period of 50 years at a reduced interest rate. Quite a few rogues would like to make an easy buck, and it is so much easier to make it in the guise of charity, by holding themselves out as good fellows, humanitarians and philanthropists. How much would it cost the government if such unscrupulous persons found the necessary backing and took advantage of this section?

Do-gooders are all right in their place, except when it comes to handling public money. This applies even to those who are perfectly honest in their intent. To lend up to 100 per cent of the lending value of the property intended to be built, in addition to making available a special

advance by the federal government in the form of a grant of up to 10 per cent of the capital cost, puts the whole business on pretty shaky ground. Many charitable organizations will wish to build under such conditions because each will feel it can do better than others, and this could be a dangerous situation. I hope that all these hazards will be carefully policed, otherwise chaos will result, and we would need not one Auditor General but half a dozen.

I refer finally to section 45.1 under the heading "New Communities" in Part VI.1. This program is intended to assist the provinces in accommodating urban growth by avoiding the urban sprawl which presently exists, and promoting the development of regional growth centres. The provisions of the bill do not indicate the type of centres, or whether they will resemble some of those marvellous developments in England near London. It is rather indefinite and I presume it must be for the time being, but at least it is a step in the right direction.

I shall conclude my remarks by suggesting that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce and passed at the earliest possible moment. My advice to that new president of CMHC, whoever he is, is that he should really get rolling and return to the fundamental principles laid down by that great Canadian, David Mansur.

Hon. Maurice Bourget: Honourable senators—

The Hon. the Speaker: Honourable senators, if the honourable Senator Bourget speaks now his speech will have the effect of closing the debate.

● (1520)

[*Translation*]

Hon. Maurice Bourget: Honourable senators, it is not my intention to prolong this debate unduly, because the pessimism shown by Senator Phillips has, I believe, been offset by the optimism of Senator Walker who, in his past capacity as Minister of Public Works—of which he reminded us earlier—has had the opportunity to examine more closely the kinds of problems that the government had to solve when it was his job to administer an agency as large as the Central Mortgage and Housing Corporation.

Thus, as Senator Walker said earlier, I believe that the Canadian government has been fortunate at all times to have had at the head of the CMHC not only chairmen but senior officials who were well qualified, honest and sincere and who, as officers of a crown corporation, informed the minister how this organization should be run and who also sought appropriate solutions to better meet the home building needs of Canadians, particularly those in the low income bracket.

It is not always easy to find solutions for every problem. I listened to Senator Phillips earlier—it was within his rights to criticize some parts of the act—but as is often said, it is easy to criticize, but difficult to find solutions that are within our means. After all, these interest rates that we establish, these sums of money that we spend to build houses for the people who most need them, that is coming from all of us. Every Canadian has to pay the cost of these houses. Undoubtedly, all honourable senators, like all members in the other place, would like construction costs and interest rates to be lower.

But the cost of living is a factor that must be taken into consideration at the present time. If one considers, for example, that a carpenter makes between $7.50 and $8.00 an hour, no wonder that the cost of a $5,000 house six, seven or eight years ago has nearly tripled.

It is not my intention to answer all the questions which were asked, since I had the opportunity to answer several of them in the course of my remarks during the debate on second reading. I am also convinced that all those who spoke this afternoon, as well as all the other senators concerned with this important problem, will have the opportunity, tomorrow afternoon, when the committee sits, to ask all the questions of concern to them.

[*English*]

Senator Phillips raised a question that I should like to answer, because I consider it to be an important one. He asked whether the owner of a home purchased under the assisted home ownership program could sell that home at any time. The answer is that there is nothing in the assisted home ownership program which prevents the homeowner from reselling the house if it has been purchased under the home ownership program.

However, if the person to whom the home is sold is not a person of low income, the mortgage on the home reverts to the status of a normal NHA mortgage. The new purchaser would then not benefit from the reduced interest rate, the extended mortgage term, and the grant under the assisted home ownership program. If the new purchaser were a person of low income, he would be eligible for the provisions of the assisted home ownership program.

Senator Phillips inquired also—and this question was also asked in the other place—as to the percentage of people who could purchase a home under the CMHC program. It was said that the figure was only 4 per cent.

Information that I have received from officials indicates that that figure is not correct. The statement was made, I am told, by a Toronto real estate organization—I cannot remember the name. I am told, however, that the figure of 4 per cent is incorrect, that it would be more correct to say that at this time between 20 and 25 per cent of the public can buy a home through the Central Mortgage and Housing Corporation.

Senator Phillips further asked: What is the definition of low and moderate income; what are the income brackets when reference is made to "low income" or "moderate income." That is a difficult question to answer, because it varies between one region and another. I would prefer that we allow the minister to explain in more detail what exactly is considered to be low income and moderate income.

Senator Phillips also mentioned the need for a better interpretation of regulations by CMHC. That is an internal problem and I shall be pleased to pass the question on to the minister, to determine whether ways and means can be taken to improve or remedy the situation.

Senator Bélisle spoke about land assembly. He mentioned what I tried to stress in my speech on the motion for second reading, that if the amount of $100 million a year for five years was not sufficient, the government was ready to take the necessary steps to make more money available to those who needed it.

Senator Walker said so many nice things that I gained the impression that he was one hundred per cent behind the bill. We should all support the bill because, even though it may not be perfect or meet all our wishes, we should recognize that in the circumstances it is a good step in the right direction.

I warmly thank those senators who have taken part in the debate. There are many aspects of the bill that I myself do not understand. If honourable senators wish to understand it better, I hope they will attend the committee meeting tomorrow afternoon.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Senator Bourget, bill referred to the Standing Senate Committee on Health, Welfare and Science.

● (1530)

NOTICE OF COMMITTEE MEETING

Hon. Mr. Carter: Honourable senators, on behalf of the chairman of the Standing Senate Committee on Health, Welfare and Science, I should like to inform you that the committee will meet tomorrow afternoon at 2.30. We hope to meet in room S-356, but that has not yet been confirmed.

Hon. Mr. Choquette: Will the chairman be there? I do not see him here today.

Hon. Mr. Carter: No.

Hon. Mr. Walker: Who will preside?

Hon. Mr. Langlois: Senator Carter, the deputy chairman, will preside.

THE SENATE

NEED FOR REFORM—DEBATE CONTINUED

The Senate resumed from Tuesday, June 12, the adjourned debate on the inquiry of Senator Croll calling the attention of the Senate to the urgent public need in Canada for Senate reform now.

[*Translation*]

Hon. Leopold Langlois: Honourable senators, as several honourable members of this house reminded us during this debate, the membership, the role and the very existence of the Senate have often been discussed both in this house and in the other place. Several suggestions have been put forward in the past on the subject, as various as they were numerous, and even contradictory, but there never seemed to be a consensus on how to reform this house, and every effort made in the past ended in failure.

We are grateful however to Senator Croll for raising this question once again despite the fact that the speeches delivered to date in this house do not seem to show that the honourable senators agree with most reforms proposed by him.

After reading the debates on Senate reform, I had to conclude that most reforms proposed until today, both during this debate and former debates, seem to be based on a narrow and often false comparison between the membership and the role of the House of Lords and the membership and the role of the Senate, and yet they are two totally different legislative bodies. This is why I think that before opening this debate on Senate reform, it is most important to recall the huge differences between the membership and the role of the House of Lords and the membership and the role of the Canadian Senate.

The first and most important difference in my opinion, and it should be underlined, is that as a result of the fact that the House of Lords is part of a unitary parliamentary system, whereas the Canadian Senate is part of the central parliamentary system of a federation made up of ten vast regions as different from one another by their topography, natural resources and climate, as by their rate of composite population. Apart from those numerous differences, there are language and cultural differences.

The huge difference between the membership of both Houses should also be considered. As you know, the House of Lords is made up in theory of 1,034 lords, of which 26 spiritual lords representing the senior episcopacy of England, and 1,008 temporal lords representing 872 hereditary peerages and 136 life peerages. Of course, those figures are based on statistics that are already a few years old, namely 1967, and may have slightly changed since.

On the other hand, the membership of the Senate of Canada, as is also known, is entirely different, because its members come from all classes of society and are appointed by the Governor General upon the recommendation of the Prime Minister. The huge difference between the membership of the House of Lords and that of the Canadian Senate has been underlined in an outstanding fashion by none other than Sir John A. Macdonald who, on page 37 of the *Confederation Debates* made the following statement:

● (1540)

[*English*]

> In this country, we must remember, that the gentlemen who will be selected for the Legislative Council—

That is, the Senate.

> —stand on a very different footing from the peers of England. They have not like them any ancestral associations or position derived from history. They have not that direct influence on the people themselves, or on the popular branch of the legislature, which the peers of England exercise, from their great wealth, their vast territorial possessions, their numerous tenantry, and that prestige with which the exalted position of their class for centuries has invested them . . . The members of our Upper House will be like those of the Lower, men of the people, and from the people. The man put into the Upper House is as much a man of the people the day after, as the day before his elevation. Springing from the people, and one of them, he takes his seat in the Council with all the sympathies and feelings of a man of the people, and when he returns home, at the end of the session, he mingles with them on equal terms, and is influenced by the same feelings and associations, and events, as those which affect the mass around him.

[*Translation*]

This definition by Sir John A. Macdonald of the membership of the Canadian Senate and the character of its members is partly confirmed moreover in the wording of our Constitution which originally set up three divisions entitled to equal representation in the Senate, namely, Ontario, Quebec, and the Maritimes.

In the beginning of Confederation, these three areas were represented in the Senate by 24 senators each. It was only when British Columbia, Prince Edward Island, Alberta, Saskatchewan and, much later, Newfoundland joined the Confederation that their number was increased to 4, each with 24 senators, the fourth made up of the four western provinces. Then came, and much later as I said, the creation of the Province of Newfoundland and, at the same time, the creation of six new senatorial seats to ensure representation for that new province.

In fact, regional representation in the Senate is emphasized by the requirement that the senators representing Quebec be appointed for well-defined senatorial districts and moreover that they be fully qualified in the senatorial districts for which they are respectively appointed.

Contrary to the House of Lords whose role is not defined in any statute or any other official document, the Canadian Senate has a clearly defined function, namely, to represent, in the nation's central Parliament, the various regions making up the Canadian Federation and, consequently, the vital interests of the different ethnic and linguistic groups composing the population.

Referring again to page 537 of the *Confederation Debates,* Sir John A. Macdonald once again describes the role and function of the Senate as follows, and I quote:

[*English*]

> And is it, then, to be supposed that the members of the upper branch of the legislature will set themselves deliberately at work to oppose what they know to be the settled opinions and wishes of the people of the country? They will not do it. There is no fear of a dead lock between the two houses. There is an infinitely greater chance of a deadlock between the two branches of the legislature, should the elective principle be adopted, than with a nominated chamber—chosen by the Crown, and having no mission from the people. The members of the Upper Chamber would then come from the people as well as those of the Lower House, and should any difference ever arise between both branches, the former could say to the members of the popular branch—"We as much represent the feelings of the people as you do, and even more so; we are not elected from small localities and for a short period; you as a body were elected at a particular time, when the public mind was running in a particular channel; you were returned to Parliament, not so much representing the general views of the country, on general questions, as upon the particular subjects which happened to engage the minds of the people when they went to the polls. We have as much right, or a better right, than you to be considered as representing the deliberate will of the people on general questions, and therefore we will not give way."

[*Translation*]

Honourable senators, other aspects of the role of the Senate were also brought out by the Right Honourable Arthur Meighen who wrote the following in the *Queen's Quarterly*, volume 44, page 152, which quotation can be found on page 75 of the Senate *Hansard* for October 9, 1945, and I quote:

> Some time ago a prominent and popular Canadian, a man of opposite political association to myself, said, "I am thankful in these days for the Senate! No matter what wild and extreme radicalism may sweep the country the Senate will stand firm; it will save the ship". This surely is worth saying and remembering. The forces of wild and extreme radicalism must be met right out among the ranks of our people, in their homes and meeting places; there the power of reason and common sense must be applied, the lesson of long experience must be taught, or nothing will save the ship. Surely we have learned from tragedies in other lands that the tide of a mad, militant and persistent majority never can be stemmed. It must not become a majority.

[*Translation*]

To this quotation, taken from the Senate *Hansard* for October 9, 1945, Senator McGeer added the following comment, which I quote also from page 9 of the *Debates of the Senate* for the same day:

[*English*]

> That is the conception of one of the Senate's duties as stated by a man who graced both our Commons and our Senate with an ability that people in every walk of life and in every political party recognized as outstanding.

● (1550)

[*Translation*]

To my mind, honourable senators, the Canadian Senate has performed very well, I would even say in masterly fashion, its primary role of representing the regional interests of the country by devoting itself, especially in the last twenty years or so, to the acute problems of certain areas of Canada, and particularly to those of underprivileged groups in our midst.

I shall limit myself to pointing out a few examples of the work of the Senate in that sphere of activity.

First of all, in 1957, its special committee on land use performed an important ask. As we know, that committee made a report, amongst other things, on soils study, land inventory, agricultural research co-ordination, the reorientation of agriculture in Canada, water pollution, drainage, erosion, irrigation, claims, reforestation, farm land assembly, farm financing and farm credit. This report contributed considerably to the enactment of the Agricultural Rehabilitation and Development Act and the implementation, in 1961, of ARDA, as well as to the adoption of at least seven other progressive measures on land and farm use.

In 1960, the Senate Special Committee on Manpower and Employment studied the rapidly changing patterns of Canada's labour force, the new specialization standards required, the financing problems of some projects, seasonal unemployment and several other aspects affecting some

regions of this country. The work of this committee resulted in the establishment of the Atlantic Development Board in 1962, the Department of Industry in 1963, which were followed in 1969 by the establishment of the Department of Regional Economic Expansion as well as the Adult Occupational Training Act.

In 1963, a Special Committee of the Senate dealt with the problems of old age. It is not an exaggeration to say that the work of this committee facilitated the approval of the principle of a guaranteed income for old people aged 65 and over, as well as recommendations on the efficiency of Manpower Centres, of workers' mobility, and of health and medical care for older workers, as well as the training and retraining of manpower.

I will not mention the Senate contribution to numerous other tasks, like that of the Joint Committee of the Senate and of the House of Commons on Public Service in Canada in 1966-67, the Senate Committee on Foreign Affairs in 1969, the Senate Committee on National Finance, relating to problems of economic growth, employment, price stability in Canada, of the Senate Committee on Banking, Trade and Commerce in 1971 relating to the tax reform in Canada, and finally, of the Senate Committee on poverty.

I will now venture to make a few comments on the reforms suggested by Senator Croll. I do not agree in the first place with his suggestion that the absolute veto power which the Senate now has should be replaced by a 6-month suspensive veto. In other words, I feel that this suggestion proceeds from the tendency, which I have already pointed out, of some people to compare the Senate of Canada with the House of Lords whose legislative powers are submitted to some restrictions through the legislation of the British Parliament. I am not even prepared to accept the view of Senator Connolly who suggested that the suspensive veto could be acceptable in certain cases, while preserving the absolute veto power for constitutional issues.

The role of the Senate, which is to protect regional interests and the rights of the various ethnic groups making up the population of our country, cannot bear any amendment, even a partial one, to the absolute veto power of the Canadian Senate in any field whatsoever. Only an improper use of this absolute power in this house would warrant an amendment to that essential power for the fulfilment of the role which the Confederation Fathers gave to the Senate of Canada.

However, I partially agree with the suggestion of Senator Croll to the effect that the Senate representation should be reviewed to improve the representation of some areas of the country.

As for his third recommendation dealing with the representation of the political parties in this house, I agree with him that appointments to the Senate should aim at maintaining a better balance between the various political parties without however laying down, as he does, rigid rules for the distribution of the representation of political parties in this house. I shall come back later in my comments on this important subject.

I disagree, however, with his suggestion regarding the compulsory retirement age at 70. I am willing, nevertheless, to accept his proposal to the effect that retired senators retain their title and the precedence of an active senator and their right to participate in the work of the Senate and its committees, but not the right to vote therein.

I completely disagree with Honourable Senator Croll's recommendation that the government leader and the opposition leader in the Senate should be elected by the members of this house. I think it is important and essential to maintain the government and opposition leaders' right to choose the spokesmen of their respective group in this house, failing which these spokesmen will cease to be government leader and opposition leader respectively.

I was dismayed to hear the honourable senator talk about the possible consequences of a referendum in the country on the abolition of Senate and his forecast that in such a case the Canadian public might vote in favour of an elected Senate.

Honourable senators, I do not believe that it is possible to ask the Canadian public to vote on the replacement of the Senate, as presently constituted, with another institution the members of which would be either appointed or elected, without revising our whole Canadian parliamentary system. Indeed, it is absolutely impossible, I think, to consider such a significant change in our parliamentary system without revising our whole Canadian system of responsible government.

The opinion voiced by Senator Croll to the effect that an elected Senate would create conflicts and a confrontation between both Houses is far from being realistic and, to use an English phrase, it is "the understatement of the year", since the establishment of an elected Senate would result in the total destruction of our whole system of responsible government system.

I am getting now to the sixth and seventh recommendations made by the honourable senator on the limitation of the terms of office of the government and opposition leaders, to which I am now entirely opposed. Any rigid rule aimed at preventing able people from filling important positions in the administration of this country for the only reason that they have reached a certain age is absolutely unacceptable. A mere look at the membership of this house is sufficient to recognize the propriety of my objection to this recommendation.

● (1600)

The senator supported this recommendation on the two following assumptions: First, a government leader should be one of our members, and, second, it is time to cut the umbilical cord with the House of Commons. Honourable senators, with due respect to Senator Croll, I cannot conceive that a government leader in the Senate would no longer be one of ours due to the simple fact that he is a cabinet member.

On the other hand, I hardly understand the suggestion to cut the umbilical cord with the House of Commons, particularly when I read Senator Croll's ninth recommendation suggesting the appointment of a senator as a minister without portfolio for the purpose, and I quote his own words: "of liaison with the government." These two recommendations are clearly inconsistent.

However, I have no objection to the suggested appointment of one or several senators as ministers without portfolio, because I feel that the presence of one or several of these ministers in this chamber would greatly contribute to improve the business of the Senate.

The senator's tenth recommendation deals with the representation of minority groups. I believe that what I have already said on the Senate role prompts me to accept this recommendation readily. I quite agree with the senator when he says that the Senate should reflect the multicultural character of the Canadian people.

I disagree entirely with the eleventh recommendation of the senator, namely that the chairmen of standing committees should hold office for one parliament only and that the age limit should be 65 years. I do agree, however, with that part of the recommendation, namely, that a senator should not be chairman of more than one Senate committee, whether it be standing or special. I understand that such a recommendation is consistent with the general practice of this house.

Finally, as regards the twelfth recommendation of Senator Croll, I quite agree that a standing committee on miscellaneous Canadian affairs should be set up. I even add that this committee's jurisdiction should not be limited in any way.

I believe that during his speech, Senator Croll expressed the wish of seeing in this house the partisan atmosphere of the Commons debates, what he called the "cut and thrust of politics." I hope that wish will not come true because I prefer the atmosphere of our peaceful debates during which members look fully into legislation with serenity, without spending their time in long partisan debates and straying from the legislation before them.

A wise, informed and experienced man once said that the difference between the debates in the House ot Commons and those in the Senate was that in the other place members addressed the electorate or the public gallery, while in the Senate, speakers addressed themselves to the question.

I believe that it would be a disservice to this country if we were to take such a stand in this house. I know that the lack of partisan debates here deprives the Senate of a certain publicity in the mass media. I believe the publicity thus acquired would not be beneficial either to the Senate or to the Canadian people.

I leave now the speech of Senator Croll and I take the liberty of commenting on the remarks made by the other senators who took part in this debate.

Senator Manning suggested a considerable change in the role of the Senate by replacing its legislative role by a reduced role, the one of adviser to the House of Commons and investigator for the government. I think the acceptance of this change in the role of the Senate would lead to a drastic change in the whole Canadian parliamentary system, and this could not be done without the approval of the provinces. Such a change would be equivalent to a total denial of the role which the Fathers of Confederation assigned to this house and which I have underlined earlier.

I agree with the suggestion made by several senators and other public figures during the previous and present discussions on Senate reform to the effect that the Canadian Senate should be entrusted with more investigations, especially those of the kind which are normally given to royal commissions. However, this investigative role, regardless of the importance of the investigations entrusted to the Senate, should not become the major role of this house and replace its present legislative role, with the special duty of the Senate to look after regional interests and particularly the vital interests of the various ethnic groups in this country.

May I digress here to point out the wrong comparison often made between the role of Canadian Senate and the part played formerly by provincial legislative councils.

First of all, it must be emphasized, as wrote Mr. Edmond Orban, a Quebec political scientist, and the author of a very interesting work on the Quebec legislative council, that it was because Sir Georges-Étienne Cartier insisted on giving Quebec a bicameral system that the Fathers of Confederation extended that system to the provincial legislatures. In fact, according to this author, Sir John A. Macdonald would have preferred for all the provinces to have only one chamber to show that they were a local or subordinate parliament. On the contrary, to Cartier, bicameralism was needed to better mark the autonomy and the distinct character of Quebec. He made it a matter of prestige and he won his point. He got the support of English-speaking people from Lower Canada who, although they did not really care for large legislatures, did consider the legislative council as an instrument that could protect their rights as a minority group. It was also Cartier who wanted the members of this Upper Chamber to be appointed rather than elected in order to curb the possible demagogic tendencies of their colleagues of the Lower Chamber. The author adds that Cartier was, in that respect, supported by the high clergy of the province of Quebec.

After reading Mr. Orban's work I came to the conclusion that the role played by the legislative councils was, in the mind of the Fathers of Confederation, very different from that of the Canadian Senate. First of all it was a local legislature having jurisdiction over limited territories, and essentially local problems. I see here, as did Mr. Orban, the reason why Sir John A. Macdonald was so strongly opposed to the recommendation of his colleague, Sir Georges-Étienne Cartier.

Some supporters of the abolition of the Canadian Senate have often argued that if legislative councils had been readily abolished everywhere in Canada and with the apparent approval of the people, it will be the same for the abolition of the Senate. I believe that such an argument is fallacious and does not take into account the great difference between the role of the Upper House as part of our federal parliamentary system and the role of an Upper House as part of a local parliamentary system with limited jurisdiction over restricted territories, and essentially local problems. I also believe that if Sir Georges-Étienne Cartier had managed to convince his colleague, Sir John A. Macdonald, that the establishment of a legislative council in Quebec was justified to guarantee the autonomy and the particular nature of the province of Quebec, we should not necessarily conclude that a second legislature in Quebec has played a leading and necessary part in the

administration and direction of the province. Moreover, the Fathers of Confederation had already designated the Canadian Senate as the protector of minorities and regional interests in Canada and thus in this manner the Legislative Council was a duplication.

● (1610)

Subject to what I have said until now in this debate, generally speaking I agree with the comments of Senators Hicks and Forsey and I shall go even further than the latter who suggests that a change in the Constitution, and in the duties of this house could not take place without a prolonged consultation with the provinces, and perhaps only with their unanimous consent, because I believe that the unanimous consent of the provinces is absolutely necessary before the Parliament of Canada can implement such changes.

I also agree with most of the remarks contained in the excellent speech made by Senator Connolly. I agree entirely with him that at the beginning, when the Canadian Senate was established, it was somewhat a half-way proposition between the hereditary House of Great Britain or the House of Lords and the elective Senate of the United States. As it happened for the Senate in this country, our existence has also been, from a constitutional point of view, the result of a compromise between the situation prevailing in North America and more especially in Great Britain.

With Senator Connolly I think that our parliamentary system can be reformed to meet new conditions. With him I hope that we will be wise enough in our young developing country and that we will make a point of preserving its essential features, because our parliamentary system has been tested and it has shown beyond the shadow of a doubt its adaptability and usefulness.

I was also greatly impressed with the moderate and constructive statement of our colleague, senator McIlraith. His comments were impregnated with his lengthy parliamentary experience and it deserves the attention of all of us who are interested in the efficient operation of our parliamentary system.

Honourable senators, I have not enough time to comment on the fine contributions of our other colleagues who took part in this debate. I shall merely make one last comment on the proposal to the effect that some arrangements ought to be made to prevent the considerable loss of time suffered by our colleagues living at both ends of our country, those from British Columbia in particular who have to travel between Ottawa and their home every week while this house is sitting. I feel deeply for these colleagues. I realize and appreciate perfectly the hardships they suffer in order to perform adequately their duties in this house. However, I anticipate a great number of difficulties in the implementation of the proposal to schedule the sittings of this house so as to reduce the amount of travelling required of these senators. In order to do this, this house should have complete control over the flow of legislation brought before us, and since the Senate does not have such control, it is impossible for it to schedule its sittings so as to accommodate the senators living outside Ottawa, while enabling this house to fulfil its constitutional responsibility to consider as required the legislation sent to it. However, I think that this suggestion deserves consideration so as to find a compromise solution which, if not doing away completely with the present inconveniences, might alleviate them to a large extent.

In concluding, honourable senators—I have already spoken too long—I submit that it is rather the responsibility of this house to initiate its own reform, by adjusting better to the new circumstances under which it must operate, to the changing needs resulting from our rapidly expanding country, as well as to the vocation it has assumed both at the national and international level.

This reform from inside can be carried out right now or gradually, smoothly and without confrontation, through the improvement of our ways and means, as well as the addition of new activities coming under the domain of the Senate within the Canadian parliamentary system.

We might easily *"de proprio motu"* initiate studies on new formulas, whether in the social, economic, human or political fields, so as to elaborate original solutions to the problems which the various areas of our country and the various classes of our society have to face.

I think that this chamber can also greatly contribute to a climate of understanding and co-operation between our levels of government in the field of federal-provincial relations, while maintaining, through our studies and activities, public awareness of the need for a truly nation-wide dialogue.

Concerning some of the other reform objectives which can be attained from the outside, such as improving the representation of ethnic groups and political parties in the Senate, they can also be achieved without friction and debates of a partisan nature, and without acrimony, simply by way of a statement of policy on the part of the government in office to the effect that henceforth the Prime Minister of Canada will consult, for instance, either the provincial Premiers, or the Leader of the Official Opposition in the House of Commons, or for that matter organizations representing ethnic groups, before recommending to the Governor General the appointment of a certain percentage of nominees to the Canadian Senate.

Such a method of reforming the Senate along those lines could be adopted without the Prime Minister of Canada having to abdicate for evermore in any way his unquestionable right of recommending appointments to the Senate to the Governor General, just as the Minister of Justice, for instance, does not abdicate his ministerial duties when he consults either judges or lawyers before appointing new judges.

Once this new appointment policy for Senate members has been consecrated by time and constant usage, it would become an intrinsic part of our Canadian parliamentary system.

It has often been said that the best constitutions were never written; however, nothing will prevent a government, if it so wishes, to incorporate this new policy in the text of the Canadian Constitution itself and to add, if the political situation at the time makes it possible, other Senate reform objectives which require one or several amendments to the Constitution.

Our attempts at constitutional reform up till now have proven that it is extremely difficult to obtain a consensus on any amendment of the present text of our Constitution.

The present political situation, both at the federal and provincial levels, leaves us unfortunately no hope that the situation will improve substantially in the short run. It is mainly for that reason that I dared to propose an alternative so that we may reach in the very near future some of the objectives of the Senate reform. I submit it to your kind consideration and to the kind consideration of the Canadian government.

On motion of Senator Lapointe, debate adjourned.

[*English*]

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, before the motion to adjourn is put, I should like to mention that Senator Hayden has asked me to inform the chamber that while the Standing Senate Committee on Banking, Trade and Commerce will sit tomorrow morning at 9.30 a.m. as scheduled, the minister will be unable to be present. For that reason the witnesses from Ontario will be heard at that time, and the taxation legislation will come before the committee in the afternoon.

The Senate adjourned until Thursday, June 21, 1973, at 2 p.m.

THE SENATE

Thursday, June 21, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

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. Signed at Ottawa, June 15, 1973. In force June 16, 1973.

Report on Vocational Rehabilitation for the fiscal year ended March 31, 1973, pursuant to section 8 of the Vocational Rehabilitation of Disabled Persons Act, chapter V-7, R.S.C., 1970.

Statement of expenditures and financial commitments made under the Veterans' Land Act for the fiscal year ended March 31, 1973, pursuant to section 49 of the said act, chapter V-4, R.S.C., 1970

Report of the Science Council of Canada for the fiscal year ended March 31, 1973, pursuant to section 19 of the Science Council of Canada Act, chapter S-5, R.S.C., 1970.

MADAM INDIRA GANDHI PRIME MINISTER OF INDIA

ADDRESS TO MEMBERS OF BOTH HOUSES

Hon. Paul Martin: Honourable senators, I would ask leave that the address of the Prime Minister of India, Madam Indira Gandhi, to members of both Houses of Parliament, delivered on Tuesday, June 19, 1973, together with the introductory speech by the Prime Minister of Canada, and the speeches delivered on that occasion by the Speaker of the Senate and the Speaker of the House of Commons, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day, and form part of the permanent records of this house.

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

Hon. Senators: Agreed.

For text of addresses see Appendix "A", pp. 756-760.

AIRCRAFT REGISTRY BILL

FIRST READING

Hon. Paul Martin presented Bill S-9, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft.

Bill read first time.

Hon. Mr. Flynn: Are you sure it is not a money bill?

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

NATIONAL HOUSING ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Chesley W. Carter, Deputy Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-133, to amend the National Housing 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. Maurice Bourget moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE—DEBATE ADJOURNED

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, presented the report of the committee, to which was referred the estimates laid before Parliament for the fiscal year ending March 31, 1974.

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

Hon. Mr. Everett: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(f), I move that the report be taken into consideration now.

Hon. W. M. Benidickson: Honourable senators, if this is the appropriate time, I should like to point out that although I am a member of the Standing Senate Committee on National Finance, I missed some of the very proper discussions they had relative to Information Canada owing to the fact that I was away with the Standing Senate Committee on Agriculture last week.

During my absence a tremendous volume of information came into my office. I can see no diminution in information or any consolidation of information as a result of the establishment of this department. I am sure that this report of the National Finance Committee, although it appears on our desks only now, confirms my views. But it is my feeling that, even though a study of Information Canada may involve $9 million or $15 million, this is small compared to the growth in expenditures in a high-priced civil service establishment. In making this comment, I apologize for not being an attending member of the com-

mittee. I did, in courtesy and because of my admiration for him, attempt on a couple of occasions today to contact the chairman of the committee to explain why I was not familiar with this. I think it is incumbent upon my colleagues in this chamber to examine some of these other immense types of expenditure, and not only those which they have already examined such as Information Canada, but so many other things that involve many multiples of what is referred to here. I am sure that my esteemed colleague, Senator Everett, will do that. I refer particularly to some recent publicity about how many chiefs and how relatively few Indians we have added recently in so many departments.

Hon. Mr. Everett: Honourable senators, in considering the report on the estimates for the year ending March 31, 1974, your committee has noted that budgetary estimates total $18.393 billion. and added to that will be $893 million of loans, investments and advances.

Dealing with the budgetary side, this figure of $18.393 billion compares to initial estimates for the year ending March 31, 1973, of $15.749 billion. Through the introduction of supplementary estimates in the last fiscal year, that $15.749 billion was increased to $16.548 billion. In addition to that there were loans, investments and advances of $1.717 billion. If we look at the increase in terms of initial budgets we are talking about an increase from $15.749 billion last year to $18.393 billion this year. That is an increase in one year of $2.644 billion in budgetary expenditures. In percentage terms it works out at 16.8 per cent. If we take the $16.548 billion, which is the initial budgetary expenditure and add to that the supplementary estimates for the fiscal year, we find that the increase is $1.845 billion, or 11.1 per cent. These estimates of $18.393 billion which you have before you will be increased this year by supplementary estimates. It would therefore be true to say that the increase in our budgetary expenditures for the fiscal year ending March 31, 1974 over March 3, 1973, will run between 11.1 per cent and 16.8 per cent. Between 1971 and 1972 the gross national product of the country increased by 10.7 per cent in current dollars and 5.8 per cent in terms of 1961 dollars. It is true that the gross national product in 1973 over 1972 will probably increase at a faster rate than it did in 1972 over 1971. Nevertheless, it would appear that the government's share of the gross national product is increasing and continuing to increase as far as the federal government's responsibility is concerned. For goods and services it has been decreasing, but the transfers to the provinces have caused the total to increase faster than the gross national product.

● (1410)

We have listed in the report specific items which account for the major portion of the increase. They are to be found at page 2, item 6 of the report, as follows:

Increases in Statutory Items	
Unemployment Insurance Commission	$890 million
Public Debt Program	263 million
Fiscal Transfer Payments Program	190 million
Hospital Insurance Contributions	114 million
Payments to Rail and Transportation Companies	92 million
Canada Assistance Plan Payments	84 million
Medical Care Contributions	52 million

Increases in voted items, for which Parliament is to be asked for approval, are as follows:

Defence Services	246 million
Accommodation Program	88 million
Post Office	85 million
Development and Utilization of Manpower Program	71 million
International Development Program	41 million
Indian and Eskimo Affairs Program	39 million
Canadian International Development Agency	37 million

In our examination of these estimates this year, your committee departed from its normal procedure and decided to carry out as a test case a more detailed examination of one program. In this case the detailed examination was made of the operations of Information Canada, and attached to the report is a list of the witnesses heard.

This report is the report of the committee, but there will be a supplement in your hands prior to recess, which will be the report of the committee on the subject of Information Canada. As I say, this was a test case and a departure from the former mode of operation of the committee. In the past your committee has examined the estimates, the method of presentation and the general control exerted by Treasury Board over governmental expenditures. We are convinced, however, that the field is just too large to be dealt with successfully by any committee. To do an effective job, it is probable that the best we can do is to make a detailed examination of a department or of a specific program. In future, this is what we propose to do in the committee. When honourable senators see the report on Information Canada, I hope they will be satisfied that this is the correct direction for the committee to take.

There are only two other items in the report with which I should like to deal. They are items 7 and 8. The total cost of government information services was requested from Treasury Board by your committee in its examination of Information Canada. There is provision for over 1,000 information officers in the Government of Canada. At present 600 are employed, and that figure does not include back-up staff such as clerks and stenographers. So, it would appear from the number of people employed that the government information services account for a good deal of the money.

We have suggested that the Treasury Board calculate the total cost of government information services annually, and give it to Information Canada for inclusion in its annual report so that it becomes a matter of public record. We shall deal with that problem fully in the report on Information Canada.

The other area that came to light in the examination of Information Canada, that more correctly should be in this report than in the supplementary report, is the method by which government approves leasing arrangements—that is, leasing of premises for government departments. The final page of the report lists the lease conditions for Information Canada centres in six cities across Canada. Those centres are in Vancouver, Winnipeg, Toronto, Montreal, Ottawa and Halifax. They house book stores and Information Canada Enquiry Centres. If honourable senators look down the leasing terms, they will find that some

of them involve rather large sums of money. For example, the book store in Montreal takes up 8,276 feet, and it is leased at a rate of $25 per square foot. Attached to it is an enquiry centre taking up 2,726 square feet, which is leased at the rate of $8.10 per square foot. The total rental for the book store and inquiry centre on a 10-year lease is $229,223 per annum. In addition, Information Canada was required, perhaps through the Department of Public Works, to spend $250,000 for occupancy alteration costs.

The Montreal figures are those of the largest magnitude, but the other figures are also fairly large. We asked Treasury Board by what means are these items policed. The Montreal lease involves a total outlay of better than $2,500,000 over the 10-year period.

● (1420)

We are not arguing that Information Canada should not be in existence; we are not arguing that the book stores are not doing a good job; we are not arguing that the enquiry centres are not effective in the job that they are doing. What we have to say concerning those matters will come out in the supplement to our report. Your committee is concerned that it should know the basis on which leases are approved and how carefully they are policed. We have not as yet received an answer to that inquiry from Treasury Board. It will, undoubtedly, be forthcoming, and it may be perfectly satisfactory. However, if it is not, it may be a matter which your committee should pursue further.

On motion of Senator Flynn, debate adjourned.

REPORT PRINTED AS APPENDIX TO DEBATES OF THE SENATE AND MINUTES OF PROCEEDINGS

Hon. Mr. Everett: Honourable senators, I would ask that this report be printed as an appendix to the *Debates of the Senate* and the *Minutes of 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.

For text of report see Appendix "B", pp. 761-763.

TRANSPORT AND COMMUNICATIONS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Leopold Langlois, with leave of the Senate and notwithstanding rule 45(1)(i), moved:

> That the name of the Honourable Senator Davey be substituted for that of the Honourable Senator Burchill on the list of senators serving on the Standing Senate Committee on Transport and Communications.

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, June 26, 1973, at 8 o'clock in the evening.

[Hon. Mr. Everett.]

Honourable senators, before the motion is put, I think I owe it to the Senate to give an outline of the schedule of work which is expected for next week. We will be proceeding with the second reading of the Aircraft Registry Bill, which has just been introduced by Senator Martin. I am informed that the main supply bill should reach the Senate on Wednesday next and we will, of course, deal with any other bills which come to us from the other place. In addition, the Honourable Senator Fergusson will call the attention of the Senate to the visit to Hungary in April last of a group of Canadian parliamentarians, and, also on Wednesday next, Senator van Roggen will call to the attention of the Senate an urgent constitutional matter.

Hon. Mr. Benidickson: What is it?

Hon. Mr. Langlois: Senator van Roggen can explain it; I do not think that is up to me.

Again on Wednesday, and on Thursday, the Banking, Trade and Commerce Committee will meet to consider its study of direct foreign investment in Canada, and also its examination of bills based on the budget resolutions relating to income tax. On Wednesday and Thursday the Foreign Affairs Committee will again meet to study its report on the expanded European communities. On Thursday the National Finance Committee will hold another meeting with respect to its examination of Information Canada, arising out of its examination of the 1973-74 estimates.

It follows from what I have just said that the Senate will be in full session next Wednesday.

Motion agreed to.

PUBLIC BILLS

SUSPENSION OF RULES 44, 45 AND 78—NOTICE OF MOTION

Hon. Leopold Langlois: Honourable senators, I wish to give notice that on Tuesday next, June 26, 1973, I will move that until the Senate adjourns for the summer recess, rules 44, 45 and 78 be suspended in so far as they relate to public bills.

Hon. Mr. Flynn: Have you any target date?

Hon. Mr. Langlois: No, I have no target date. This is merely a precaution, since next week, as I have already announced, probably on Wednesday, although it could be later, we will be receiving the main estimates from the other place. We have voted supply up to June 30, and we might need this suspension of the rules in order to be able to pass this bill before the end of the month. That is the sole purpose of this motion. I hope we will not need the motion.

Hon. Mr. Flynn: We do not need it as a rule.

CRIMINAL CODE AND NATIONAL DEFENCE ACT (TOTAL ABOLITION OF CAPITAL PUNISHMENT)

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. John M. Macdonald moved the second reading of Bill S-8, to amend the Criminal Code and the National Defence Act (total abolition of capital punishment).

He said: Honourable senators, as you can see from the explanatory note, the sole purpose of this bill is to ensure the total abolition of capital punishment in Canada. Usually when the subject of capital punishment is debated, it is done in relation only to the crime of murder, yet it is also a punishment that can be inflicted for various other offences. For example, it can be inflicted for piracy, for treason, and for quite a variety of military offences, acts which are offences under the National Defence Act. Let me give you just one example of what I mean. Section 63 of the National Defence Act reads in part as follows:

> Every officer in command of a vessel, aircraft, defence establishment, unit or other element of the Canadian Forces who
>
> (a) when under orders to carry out an operation of war or on coming into contact with an enemy that it is his duty to engage, does not use his utmost exertion to bring the officers and men under his command or his vessel, aircraft, or his other materiel into action

Then there follow six other subsections, which I will not read:

> —is guilty of an offence and on conviction, if he acted traitorously, shall suffer death, if he acted from cowardice is liable to suffer death or less punishment, and in any other case is liable to dismissal with disgrace from Her Majesty's service or to less punishment.

● (1430)

There are many other such cases which can be found in the National Defence Act. However, in my remarks today I propose to deal mainly with the death sentence as a punishment for murder. I feel sure that there will be little if any reaction by the general public if the death sentence is abolished for offences under the National Defence Act.

Hon. Mr. Flynn: It is abolished in practice.

Hon. Mr. Macdonald: In regard to retaining capital punishment for the crime of murder there is considerable difference of opinion, and strong views are held on both sides of the question. It will be recalled that in 1967 the question was debated at length both in this chamber and in the House of Commons. In that year an amendment was made to the Criminal Code that provided for partial abolition of capital punishment for a five-year period. That amendment was a compromise. It abolished capital punishment for murder unless the person murdered was a police officer or a prison guard.

As I remember the debate at that time, it was thought that a five-year trial period would be a sort of experiment, and it was hoped that after the five-year period had elapsed certain conclusions could be drawn. I suppose the main conclusion would be based on whether the number of murders showed an abnormal increase, or the number of murders of policemen or prison guards showed any increase, over the five-year period. Admittedly, this would not be a very scientific method of studying the effect of the five-year plan, but it would at least give a rough and ready guide. However, I understand that at the end of the five-year period no definite conclusion could be drawn, so it is proposed to extend the experiment for another five years, and the bill to do so has been introduced in the House of Commons.

I expect that that bill, Bill C-2, will come to this chamber before the summer adjournment. I expect also that little time will be allowed for it to be debated here—although perhaps it is not necessary to debate it at length, as it was well and thoroughly debated here in December 1967.

Honourable senators, personally I am of the opinion that a further extension of the partial ban on capital punishment is of no value. It is only postponing a decision which has to be taken at some time. I think that decision should have been taken five years ago; I believe it certainly should be taken now. If it is postponed for another five years, then these postponements could go on indefinitely. Is anyone so innocent, is anyone here so politically innocent, as not to believe that in five years' time the circumstances will be the same. There will be a proposal for another five-year ban.

Let us face facts. There have been no executions of convicted murderers in Canada since 1962. All those convicted of these crimes between 1962 and 1968, and all those convicted of capital murder since the ban have had their sentences commuted to life imprisonment. Does anyone actually believe there ever will be an execution for murder in Canada in the future?

Let us face it. Capital punishment for murder has been abolished in Canada in fact, although not in law. So I say, let us stop playing games, let us make the law conform to the facts; and Bill S-8 does just this.

While this is one reason why I have introduced this bill, it is not my principal reason, it is not my main reason. My principal reason for introducing this bill is that I do not believe in capital punishment, period.

It may be that some honourable senators will feel there is no point in passing this bill as Bill C-2, now before the House of Commons, is a government measure, and in due course will be passed in that house. I do not agree. I would hope to have this bill passed here and sent to the other house before Bill C-2 is given third reading there. I would hope that the government would look with a sympathetic eye on this bill, and do nothing to impede its passage. From the speeches made in the House of Commons, I would say this bill would have an excellent chance of being passed there, and that Bill C-2 would be withdrawn.

Honourable senators, Bill S-8 has been drafted to provide for the total abolition of capital punishment. It goes much further than Bill C-2. It may well be that all the offences punishable by death are not mentioned. I believe they all are, but if by chance I have overlooked any, it is an oversight and not a deliberate omission.

It is not my intention to deal at length with the argument advanced from time to time for the retention of capital punishment. In my opinion, capital punishment, the deliberate taking of human life, is a harsh, dreadful and horrible punishment. Those who argue for its retention do so on one or two main grounds. In regard to murder, it has been claimed that the murderer must pay for his crime of taking a life by losing his own. Others claim that society must protect its members by taking the life of the murderer as a deterrent to others who may have the inclination to kill. It is only on one or the other—or

both, for that matter—of these grounds, that the argument for retention could possibly be justified.

Let us look for a moment at the first ground. A murder has been committed, so the murderer must also die; he should be hanged by the neck until he is dead, as his punishment. Make the punishment fit the crime; he killed, so kill him. Even scripture is quoted to justify this argument. In this connection, it is interesting to see what the Canadian Catholic Conference stated in respect of that argument, and I quote from their letter:

> We consider it an illegitimate use of the Bible, especially the Old Testament, to quote texts in order to argue, in our time, for the retention of the death penalty. Each biblical text supporting the death penalty must be studied in the light of its historical context, and not simply applied to present-day Canada.

Yes, honourable senators, we must decide this question in the light of values of present day Canada. I know it is said—aye, and often said—think of the victim of the crime, think of a wife made a widow, think of children left fatherless, by the action of a murderer. He deserves no sympathy, let him die, let him hang by the neck until he is dead, as a punishment for his dreadful crime. One can appreciate this point of view. It is the quick, emotional reaction of normal people, to meet violence with violence. But should it be our policy?

Over a great many years, the human family—society, or whatever one wants to call it—has seen at least some progress toward the realization that killing the murderer is no solution to the crime of murder. With no sympathy for the murderer, with great sympathy for the victim, I fail to see what is accomplished by the death of the murderer. So far as I can see, nothing is gained by killing the murderer and nothing is lost by allowing him to live. We must look upon this argument, which calls for the death penalty, not as an isolated incident, but as part of a pattern, as it were, which unfortunately is becoming more widespread. The pattern which is developing is an ever-increasing tendency to downgrade, and often to hold in contempt and despise, the sanctity of human life.

I suppose there are many reasons for this. We have become accustomed to violence. We see it and hear of it in many parts of the world. Acts of violence, the killing of innocent people, and acts of terrorism no longer shock us. They have become too commonplace. We see organizations and groups deploring these happenings in other countries. We are accustomed to protests being made against actions of other countries or peoples all over the world—in Ireland, in Asia, in Africa. Yes, it is easy to pass resolutions or to stage protests against peoples in other lands; it is easy to have great sympathy for the victims of war, for the victims of terror, for the victims of starvation in far-off lands. We have seen pictures which show total disregard for the sanctity of the God-given right to live, but, honourable senators, I am convinced that before we condemn other countries for actions which we deplore there, we should first look at our own land. We should first see if we cannot take some positive action which will show that we in Canada are concerned for the sanctity of human life. What can that action be? Well, one positive action we can take is to abolish capital punishment.

• (1440)

Some Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: By so doing we would be showing that we regard this punishment as a relic of barbarism. We would show that we place such a high value on human life, that we have such a reverence for it, that we are prepared to let even the most violent and wicked murderers live rather than downgrade in any way our respect for human life.

Honourable senators, there is another aspect of this subject which should be considered, because there is always in these cases the possibility of a mistake being made. Innocent people have been convicted of murder, and innocent people have been executed. In the case of capital punishment we must always remember there is the terrible finality of death. Perhaps you will say our legal system safeguards the rights of the accused, and so it does to the best of human ability. But remember human beings—judges, even juries—are not infallible and, indeed, many people feel that until human judgment is infallible we have no right to inflict on anyone a judgment which cannot be revoked or appealed.

It has been the proud boast of our legal system that it is better for 99 guilty people to go free rather than for one innocent person to be convicted. That proud boast contains a great principle of our laws. It is, I say, better that 99 murderers—yes, 199 murderers—go free rather than one innocent person be hanged by the neck until he dies for a crime he did not commit. For if a mistake is made there is no going back—that innocent man is dead for all eternity.

I think, too, it must be admitted that capital punishment is a degrading thing. It leaves its mark on all who are connected with it. What must be the mental strain, yes, the mental anguish, of the judge who must impose the sentence? What must be the mental strain on the jury, and on the sheriff who must see it is carried out, and on those who do the actual killing? Honourable senators, for the reasons I have given I do not believe the argument used that a murderer deserves to die has any validity.

Then there is the other and perhaps more convincing argument, that the death penalty must be retained as a deterrent. There are those who, being firm believers in the necessity of protecting the sanctity of human life, claim for this very reason that capital punishment must remain. Of course, no one can prove this to be true, and no one can prove it is not true. Actual proof is lacking, and I do not think it could ever be obtained. So let us look at this from an historical point of view.

It is well known that in ages past the death penalty was imposed for a great number of crimes; indeed, for some very minor ones. Yet it did not prevent crimes from being committed. I read somewhere that in England in the reign of Henry VIII 72,000 thieves were hanged, but the records from that period of history do not show any reduction in such crimes. I suppose one could ask why, if the death penalty is a deterrent, it did not deter? Why does it not deter now? So far as I can learn, there was no great increase in the number of murders in Canada while the partial ban was in effect. On the average, about the same number of policemen were murdered, regardless of the fact that the murder of a policeman was a capital crime.

Honourable senators, I would like to read again from the letter of the Canadian Catholic Conference, because it expresses better than I can what should be our guiding role in this matter:

> The question of the death penalty, in our opinion, ought not focus on whether a convicted murderer, no matter how wanton, "deserves" to die. The focus should be on us: should Canadians as a community try to break the escalating spiral of violence by refraining from violence even as a deterrent?

Personally, honourable senators, I think we would be doing a noble work if we were to break the escalating spiral of violence by abolishing the death penalty in Canada.

May I read one further excerpt from the same letter from the Canadian Catholic Conference? For your information, I add that this Conference is the Association of the Roman Catholic Cardinals, Archbishops and Bishops of Canada. Of course, no one has to accept their conclusions, but they are deserving of consideration. I wish to place before you this part:

> There is also a pragmatic, statistical question whether the death penalty is an effective deterrent. We will not enter this debate. Our question is not whether the death penalty is an effective deterrent; our question is whether it is an absolutely necessary deterrent, required by good order in Canada today. Unless you are convinced that it is, then we feel that the presumption should be for suspension. Furthermore, in our opinion the case for retention of the death penalty has not been proven.

Hon. Mr. Martin: May I ask Senator Macdonald for the date of that statement?

Hon. Mr. Macdonald: January 16, 1973.

Hon. Mr. Martin: Thank you.

Hon. Mr. Macdonald: Honourable senators, in my opinion the arguments advanced for the retention of the death penalty for murder are not convincing. As a punishment it is a relic of barbarism; as a deterrent it does not deter. I urge you, therefore, to support Bill S-8.

As I have mentioned, the bill before us would abolish capital punishment altogether. If you look at the sections of the National Defence Act mentioned in the bill, you will agree with me that the time has come to bring that act into line with present day thinking and present day conditions. Personally, I believe it is an insult to our armed forces to leave these sections of the act as they are. Indeed, we should give that whole act a thorough examination, with a view to introducing appropriate amendments. The Canadian Armed Forces have served with great distinction in every theatre of war in which they have been engaged, and that applies also to peacekeeping operations. I say it is an insult to brave men and women to have an act on our statute books which says they will be put to death—shot, I suppose—if they do not do their duty. Let us, at least at this time, do away with the death penalty.

Honourable senators, believing as I do that the retention of capital punishment cannot be justified, believing as I do that we should break the escalating spiral of violence, believing as I do that human life from the moment of conception is a God-given right not to be taken way by man except under extraordinary circumstances, I ask you to support this bill.

Hon. Lionel Choquette: Honourable senators, I want to say a few words in this debate. As I told my good friend Senator Macdonald, I intend to support the bill. This might sound a bit illogical on my part, owing to the fact that five years ago, when we had before us the bill to keep capital punishment in force in the case of the murder of a guard or a police officer on duty, I spoke in favour of retaining capital punishment. But I can say that in Canada capital punishment has in effect been abolished for almost ten years. Moreover, we know, since we passed that bill five years ago, that prison guards have been murdered; we know that police officers have been murdered; and we know that in a few cases their murderers were found guilty, and then their sentences were commuted.

● (1450)

Honourable senators, I imagine that the bill providing for renewal of the abolition of capital punishment for another five years, and which I consider to be a joke, will be coming to us. It had been my intention to speak at that time along these same lines. I really want to be logical by saying that if capital punishment is going to be abolished, it should be abolished completely in the manner advocated by Senator Macdonald.

Had I been here at the beginning when he introduced his bill, I should have seconded it. It was so arranged. However, since I was not here, he found another seconder.

I am pleased, therefore, to support this bill now introduced by my honourable friend, Senator Macdonald.

On motion of Senator McIlraith, debate adjourned.

The Senate adjourned until Tuesday, June 26, at 8 p.m.

APPENDIX "A"

(*See p. 750.*)

ADDRESS OF MADAM INDIRA GANDHI
PRIME MINISTER OF INDIA
TO BOTH HOUSES OF PARLIAMENT IN THE
HOUSE OF COMMONS CHAMBER, OTTAWA
ON TUESDAY, JUNE 19, 1973

The Prime Minister was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Muriel McQueen Fergusson, Speaker of the Senate.

Hon. Lucien Lamoureux (Speaker of the House of Commons): On behalf of senators and members of the House of Commons I call upon the Right Honourable the Prime Minister of Canada to introduce the Right Honourable the Prime Minister of India.

Right Hon. P. E. Trudeau (Prime Minister): Madam Prime Minister of India, Madam Speaker of the Senate, Mister Speaker of the House of Commons, members of the Parliament of Canada.

On behalf of the people of Canada, and of their representatives from both Houses of Parliament, I bid you, Madam Prime Minister, a cordial welcome.

You, Madam, are not the first leader of your country to honour this institution with your presence, nor is this the first occasion that you have been introduced to the Parliament of Canada. Nevertheless your appearance in this place today does represent a "first" of a kind because the Prime Minister of India who preceded you here was that distinguished international statesman, your father, the late Pandit Jawaharlal Nehru. In this chamber today are several parliamentarians who were present on that earlier occasion.

[*Translation*]

During the years since Prime Minister Nehru stood here, Canadian parliamentarians have seized many opportunities, both collectively and individually, to express their interest in India. An outstanding example is to be found in the career of a former speaker of this chamber who later represented Canada as High Commissioner in India before returning to this country to occupy his present high office of Governor General of Canada. Another example is found in the friendship which has developed between the present Speakers of the House of Commons and the Lok Sabha. These gentlemen have visited and conferred with one another on several occasions in our two capitals.

Gathered in this chamber today to listen to your address, Madam Prime Minister, are men and women from every region of our widespread country. Their presence in this institution, and their activities here, are guided by the same great traditions of parliamentary practice familiar to you as an Indian parliamentarian. Those traditions and those practices we regard, as do you, as a priceless heritage and as an incomparable guarantee of democratic freedoms. They are among the many invisible bonds that link us together as fellow members of that unique and immensely valuable association, the Commonwealth.

We share with you as well an appreciation of the problems that confront societies as diverse in their interests and their geographic roots as are those of Canada and India. We are aware, as are you, of the need to fulfill the expectations of peoples rightly demanding recognition of individual dignity and public well-being.

[*English*]

Your visit to Canada comes a quarter of a century following India's political maturity as an independent nation state, but several thousand years following India's maturity as a rich and creative civilization. It is partly in gratitude for the immense legacy of art, of wisdom, of philosophy, which we in the west have received from your ageless nation, that Canadians have offered developmental assistance to the modern India. And we share your pride that India's long-recognized role as a major political participant in the international community will soon be matched by an equally important role as a major economic participant.

In our talks these past two days, Madam, we have been able to identify several areas in which the Indian-Canadian relationship, always a friendly one, has developed and matured. We now share an opportunity to engage our two countries in a new and equally beneficial pattern but one which is based not so much on aid as on trade, not so much on technical advice as on the exchange of experience. In this respect I regard your visit here as marking a milestone in the history of Indian-Canadian relations which is as important as that marked by the visit of Prime Minister Nehru in 1949. In his address here, Mr. Nehru said that Asia was renascent, that having gained political freedom, India faced the task of harnessing for human betterment her will, her natural resources, and her human material.

India's successes in doing so, and your personal contribution to those successes, Madam, not only prove the accuracy of that forecast but give to Canadians occasion to congratulate you on these accomplishments.

We welcome you, Madam Prime Minister, to this Parliament.

Some hon. Members: Hear, hear!

Hon. Lucien Lamoureux (Speaker of the House of Commons): I now call on the Prime Minister of India, Madam Gandhi.

Madam Indira Gandhi (Prime Minister of India): Madam Speaker, Mr. Speaker, Prime Minister, Leader of the Opposition, Honourable Members: It is no ordinary privilege to address the chosen representatives of a great nation. I stand before you in this august chamber in the knowledge that this gesture is not personal to me but an expression of the friendship that Canada has for India. I

bring to you the greetings of my colleagues in government and Parliament, and the good wishes of the people of India.

[*Translation*]

I can recall my first visit here, more than twenty-five year ago, when a similar honour was paid to my father. It was on that occasion that I had the good fortune to make the acquaintance of several of Canada's eminent leaders.

I am indeed pleased to have met the Prime Minister (Mr. Trudeau), and you, Mr. Speaker. We regret the absence of another distinguished Canadian, Mr. Lester Pearson, whom the people of India held in high esteem.

[*English*]

When my father addressed this Parliament, India had only recently become independent and was a dominion in the Commonwealth. It had, however, already decided to become a republic. A formula had to be devised to enable a republic to remain within the Commonwealth. This posed a difficult constitutional predicament, in the resolution of which Canada played a decisive role. A remedy was found which at that time my father described as "an outstanding example of the peaceful solution of a difficult problem and a solution which is a real one because it does not lead to other problems". Partly because of the formula then devised, the Commonwealth has grown and includes a large number of countries with different political systems and forms of government. The Commonwealth has survived crises which sometimes threatened to break it up. In international affairs, there is always room for dialogue and the Commonwealth provides a forum.

[*Translation*]

I have visited Canada on more than one occasion. It is always a refreshing experience. Among you one feels something of the pioneering spirit, of the joy of enterprise and adventure. Yours is a vast country which looks towards both Europe and Asia, and which is made up of various ethnic groups whose origins lie mainly in the old cultures and civilizations of Europe. And then, there is also a small number of people from my own country. Thus, there exists a rich mosaic of peoples, each with its own particular genius, merged into one nation which, since the second world war, has impressed the world with its great vitality. A nation is not defined by its size but by the vitality and the creative power of its citizens. The Canadian people are endowed, to a very high degree, with such qualities. Your greatest success, if I may say so, is not the high economic level you have attained, but the fact that the international community views Canada as a nation of friends, working for international peace and harmony. Canadians have a broad and open-minded view of the world and of life. They have fought for peace and justice for all humanity. They have made every effort, both as individuals and through international organizations, to help those less fortunate than themselves. Canadians have no colonial past to regret nor any of the obligations of a "great power" to hinder them in their activities as human beings, in the fullest sense of the word.

[*English*]

Nations which consist of diverse elements are compelled by history to value the art of compromise and of accommodating different viewpoints in a larger perspective. In the building of the Canadian nation, you have discovered, as have we in India through our long history, that diversity not only enriches but can strengthen. India has people belonging to every conceivable faith. The vast majority are Hindu, but after Indonesia and Bangladesh we have the largest Muslim population—61 million. While Buddhism finds the majority of its devotees outside the land of its birth, there is a substantial number of Buddhists. Tradition claims that Thomas the Apostle visited South India, and St. Francis Xavier's body still reposes in Goa. Thus Christianity came to India long ago and our Christian community of more than 13 million is an honoured one. India gave refuge to Zoroastrians fleeing from Iran and we still have the largest number. This diversity gives new validity to our historical outlook of tolerance, and freedom for all to practice their faith and to enjoy equality of opportunity. Mankind will endure when the world appreciates the logic of diversity.

Beneath the stagnant apathy which enveloped the India of the colonial period flowed the living waters of her ageless spirit. It is this which produced two remarkable generations of men and women who led our national renaissance and achieved political liberation.

They learned from the West, from its sciences no less than its politics of liberty and equality. They looked deep into our past, determined to keep the essentials while removing the encrustations of inert social customs. Above all, they yearned to cleanse India of poverty and social divisions and to kindle a new awakening of man. I hope I am speaking for the majority of our people when I say that we do not seek imitative affluence and power but an opportunity to once again make our contribution to the world.

There has been a consistency in the Indian approach. Our struggle for independence was unique and found inspiration from our traditions. To free one-seventh of mankind from political subjugation was in itself an enormous undertaking. But to do it non-violently was also of significance to human history. An unarmed person needs greater faith than an armed one. Our strength lay in our belief in the rightness of our cause—we knew our fight was without precedent, something of benefit not to us alone but to all peoples of the world. The long years of our struggle for independence were grim indeed, but looking back they were as nothing to the challenges and difficulties of the task of reconstruction and of modernizing an ancient country, with the peoples' consent and participation. Indian philosophy had always stood for freedom of thought and laid stress on the free development of individual personality. Free debate was practised in ancient times in the Panchayat, one of the earliest political institutions in India, which has now been revived in the shape of village councils.

In India, three major revolutions are taking place simultaneously—the industrial, the political and the humanist. Living in the second half of the twentieth century, we have to undertake welfare investment without the prior accumulation of capital through sweated labour. The questions we ask curselves are whether we cannot have growth

without exploitation, and strength that is not based upon violence?

The world seems to admire results regardless of the means and the consequences, pushing aside questions of value. We are acutely conscious of the rising impatience of our people. We realize that if our system fails to meet their reasonable aspirations they may opt for other methods. Yet we do believe that our chosen path will deliver the economic goods and also bring maturity to our people. Democracy, which to us means an enlargement of the area of choice and the socialization of opportunity, invigorates as it evolves.

We do not doubt the answer. Our confidence in our capacity to lessen poverty and bring into being a society of equals through democratic means is unshaken. We are blamed for our inability to generate a higher rate of growth, the entire Indian experiment is criticized and we are advised to be tougher. The postponement of some demands might indeed have enabled us to move faster, but this could only be at the cost of social justice and would therefore lead to social tension. Also, we cannot agree that a higher rate of growth is reason enough to dispense with free elections and independent parliamentary and judicial institutions.

Some hon. Members: Hear, hear!

Madam Gandhi: Through our plans of development, in 20 years we have been able to double our grain production to more than 100 million tons. We have also laid firm foundations of modern industry, with emphasis on steel, machine tools, chemicals and electronics. We, who imported everything from sewing needles to locomotives, can make our own power generators and aeroplanes and even export machinery and consultancy service. The decline of the death rate has led to an increase in population but as levels of living improve and education spreads, the people are becoming conscious, though far less so than we would wish, of the need to limit their families. Education has expanded at all levels. The number of school-going children has risen from 23 million to 26 million. In higher education, the increase is not only of numbers; we have given attention to technological training and research which is the foundation of self-reliance.

Right now we are passing through a most trying period. To the expected strains of growth was added the burden of a war and the care of ten million refugees. The failure of the rains for a third successive year in many parts of western Indian has aggravated our problems. There have been many droughts in India's long history. Now, for the first time, people are not left to fend for themselves and the government has taken upon itself the full responsibility for giving succour. Reports from India should be seen in this perspective. We have given work, wages, food and even drinking water to millions of people. At the beginning of this month, extra employment was provided to nine million people through 137,000 relief projects. That we have been able to tide over the crisis with only marginal imports is a testimony to the internal vitality of our economy.

A nation can achieve economic or political liberation only through its own endeavour and sacrifice. Our development is based primarily on our own savings and labour. But the problem of poverty is a world-wide one, demanding international action. We have welcomed and received co-operation from other nations for our developmental plans. I should like to express the gratitude of our people for Canada's help. It was concrete and imaginative, and without expectation of political advantage.

Not all countries have been so understanding. Their attempts to derive some political leverage have, not unnaturally, led to impatience with aid on the part of many developing nations. Donors also are becoming aid-weary. The Indian people are resolved to achieve self-reliance. This does not mean diminution of economic give-and-take, but that economic relations between one nation and another should be on the basis of equality. We shall continue to look for technological assistance to bridge the gaps in the structure of our basic industries and our know-how of new technologies. Our efforts could be more effective if the advanced countries adopted more enlightened trade policies. When it comes to trade, many of the strongest nations behave as though they need protection from the weak. A new outlook which will not condemn developing nations to permanent disadvantage is essential.

Canada and India provide examples of how countries with differing backgrounds can work together for common goals. In many parts of the world we have co-operated on international issues such as colonialism and racial discrimination, and on major economic problems such as international trade and commerce. In Korea, our two countries played a major role in defusing an extremely dangerous situation. We have paticipated together in peacekeeping missions in many risky situations and areas, for example, Gaza and Indo-China.

A country's foreign policy is dictated by its historical conditioning and its assessment of national interests. In keeping with our tradition of non-violence and our belief that mankind is one family, we have subscribed to the concept of peaceful co-existence. The world is large enough to hold countries with different civilizations and political ideologies. Anyhow, we cannot choose our neighbours nor move to another planet! So we are glad that the powerful have ceased to mock us for our naivete and have moved away from the doctrinal rigidities of post-war bipolarity. We welcome the detente in Europe and are glad that China has at last been given its legitimate place in the United Nations.

But can we be certain that the new and more realistic relations between the great powers do in fact indicate a more stable world order? Or are they yet another attempt to reinforce the old concept of balance of power? High-level exchanges and discussions between great powers are good, but we hope that they will not lead to decisions which affect other nations, big or small, without full consideration of their legitimate interests. We must be vigilant against big-power arrangements for the creation of new spheres of influence. In our own area and with our neighbours we favour a bilateral approach for resolving issues.

We should and do welcome the relaxation of tensions. But we think that the only non-proliferation of nuclear arms which is compatible with real peace is total disarma-

ment. Such disarmament calls for far greater courage and conviction than is now in evidence. We cannot ignore the acceleration of military preparations. The arming of small nations by big powers, which was once in pursuit of cold war compulsions, continues in the name of maintaining regional balances. It is a fallacy to believe that the induction of arms from outside could promote stability, for this invariably encourages those militaristic elements who have little use for democratic and peaceful solutions. This is why we protest against continued arms aid to countries in our neighbourhood and regard it with grave concern.

The only safeguard against big power hegemony is for the smaller nations to stand together and help one another on as wide a scale as possible. Countries like Canada and India which have no territorial ambitions, no economic empires to protect and no ideologies to export, can take a less self-regarding and more farseeing view of international affairs.

[*Translation*]

Once again, I thank you for the honour you have paid me. We have, in India, a deep feeling of sympathy, I might even say, of affection for Canada. The Canadian Constitution and Canadian parliamentary usage have given us a valuable insight into the true spirit of democracy. I hope the brotherly feelings that exist between our two countries and our two Parliaments will only grow in the future. We will extend a warm welcome indeed to the Canadian parliamentary delegation that will do us the pleasure of visiting India in the near future. I trust that my own visit here will help, ever so modestly, to strengthen our co-operation in the service of causes that are dear to our two countries.

[*English*]

I end with a verse from the Atharva Veda:

Let there be no fear from friend, no fear from foe;
no fear from the known, no fear from what lies before us unknown;
Let there be no fear for us from night, no fear from day;
Let all the quarters be my friends.

Some hon. Members: Hear, hear!

Hon. Lucien Lamoureux (Speaker of the House of Commons): I now call on Madam Speaker Fergusson.

Hon. Muriel McQueen Fergusson (Speaker of the Senate): Madam Prime Minister, Mr. Prime Minister, Mr. Speaker, Your Excellencies, Members of the Senate, Members of the House of Commons, Ladies and Gentlemen: On behalf of the Senate of Canada I welcome the opportunity and the honour to thank our most distinguished guest.

Madam Prime Minister, your address this morning was both inspiring and thought-provoking and gave us a great deal of information we did not have before. This really did not surprise us because we know you to be a woman of character and unusual determination, a person who has proved she can stand alone and face whatever comes her way.

Your visit has served to remind us that India is one of the largest composite countries in the world, constituting as it does some 500 million people of many faiths, many languages and many races. As I believe you have often said, India is an old country, a new country, a fast developing country, a country where many centuries are telescoped into one.

The world has produced many wonderful people, people who have accomplished much and won great prominence, but very few of them have possessed the integrity, the wisdom, the sense of dedication to the service of their country and the determination to pursue these objectives to a conclusion as you, our honoured guest, have shown.

We are conscious of the fact that you wield greater power than any other woman in recent history and we are confident that you, as your illustrious father did, will use this power to improve the lot of your people and strengthen the bonds of friendship throughout the world.

[*Translation*]

Madam Prime Minister, we trust your visit to Canada will draw our two countries even closer.

[*English*]

Someone has said:

> The role of women in a community is a most important one and no nation can afford to ignore it. Women are as vital to a nation's progress as its minerals, its rivers and its agriculture. Harnessed and properly controlled but treated with respect they present a great and powerful force which can be used for the benefit and progress of the nation.

I am in full accord with the first part of this quotation. I also believe that women can be a great and powerful force for the benefit and progress of a nation, as Mrs. Gandhi has proved, but I have some reservations, as I am sure Madam Prime Minister has, about the need for women to be "harnessed" and "controlled".

When you return home, Madam Prime Minister, my colleagues ask you to convey to the members of your government their most sincere good wishes. For yourself, we wish you well in carrying on what many people consider the most onerous and burdensome task in the world today, that of responsible leadership of a great country.

We wish you to know that as the daughter of Prime Minister Nehru, with whom you visited Canada in October, 1949, when he spoke to a joint meeting of our Parliament, you have a very special place in Canadian hearts, and we thank you for coming.

[*Translation*]

Hon. Lucien Lamoureux (Speaker of the House of Commons): May I be allowed to add a few words only to the eloquent remarks the Honourable Senator Fergusson has just made. I speak for each and everyone of my colleagues in the House of Commons when I say to you, Madam, that it is both a pleasure and an honour for us to have you here this morning. Madam Prime Minister, the message of friendship you have conveyed to us on behalf of your Parliament and your people has been heard by each of my colleagues with understanding and sympathy. From the bottom of my heart, Madam, and on behalf of all hon. members of this House, I thank you most sincerely.

[*English*]

It is our hope, Madam Prime Minister, that upon your return home you will convey the assurance of our friend-

ship to our parliamentary colleagues of Lok Sabha with whom over the years we have had particularly close ties. The combination of the Commonwealth and the parliamentary system has produced that most honourable fraternity, the Commonwealth Parliamentary Association, of which both India and Canada are dedicated members. Nowhere has the association been supported more loyally than in India, and this is due, I am sure, to the personal support and encouragement of the country's Prime Minister. I might add that no one individual has given more to the association itself than the friend of so many Canadian parliamentarians, the Hon. G. S. Dhillon, Speaker of the Lok Sabha. Mr. Speaker Dhillon has left with those of us who have visited India the most indelible memories of personal kindness and parliamentary comradeship.

Madam Prime Minister, we thank you again for your address to this joint meeting of the Canadian Senate and House of Commons. We wish you well in all your undertakings on behalf of your great people and in the promotion of peace and good will throughout the world.

Some hon. Members: Hear, hear!

Hon. Lucien Lamoureux (Speaker of the House of Commons): The meeting is now adjourned.

APPENDIX "B"

(*See page 752.*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE PRESENTED BY HON. DOUGLAS D. EVERETT

THURSDAY, 21st June, 1973

The Standing Senate Committee on National Finance, to which the Estimates laid before Parliament for the fiscal year ending March 31, 1974 were referred, has in obedience to the order of reference of Wednesday, 21st February, 1973, examined the said Estimates and reports as follows:

1. Your Committee was authorized by the Senate, as recorded in the Minutes of the Proceedings of the Senate of 21st February, 1973, "to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974, in advance of Bills based upon the said Estimates reaching the Senate."

2. In obedience to the foregoing, your Committee made a general examination of the Estimates and heard evidence from The Honourable C. M. Drury, President of the Treasury Board; Mr. B. A. MacDonald, Assistant Secretary, Program Branch, Treasury Board; and Dr. E. G. Hartle, Deputy Secretary, Planning Branch, Treasury Board.

3. In the past your Committee has confined itself to a general review of the Estimates, their presentation and the method of financial control exercised by the Treasury Board. Your Committee has decided that this general examination should be supplemented by a detailed examination of selected programs or departmental expenditures. This year your Committee selected Information Canada for this detailed examination. An attached list gives details of the hearings of the witnesses heard in connection with this examination. The report on the examination of Information Canada is being prepared and when it is ready it will be tabled in the Senate as a supplement to this report.

4. The Main Estimates for 1973-74 amount to $18,393 million. Of this amount, $9,180 million are statutory in nature while $9,213 million represent funds for which Parliament is asked to provide new authority. In addition to these amounts there are $893 million of non-budgetary items being loans, investments and advances. In the 1972-73 fiscal year the Main Estimates amounted to $15,749 million, and by two Supplementary Estimates they were increased to $16,548 million, of which $7,762 million were statutory in nature while $8,786 million represented funds for which Parliament was asked to provide new authority. In addition to these amounts there were $1,717 million of non-budgetary items.

5. The difference between the Main Estimates of 1973-74 ($18,393 million) and the Main Estimates of 1972-73 ($15,749 million) is $2,644 million, an increase from year to year of 16.8%. The difference between the Main Estimates for 1973-74 ($18,393) million) and the final authorization for 1972-73 ($16,548 million) is $1,845 million, an increase from year to year of 11.1%. It is to be noted that the latter figures are not strictly comparable as the Main Estimates for 1973-74 will likely be increased by Supplementary Estimates during the current fiscal year. In any event, it would appear that the increase in budgetary expenditures between the fiscal year ending March 31, 1973 and the fiscal year ending March 31, 1974 will range between 11.1% and 16.8%. Between 1971 and 1972 (the latest years for which figures are available) the GNP increased by 10.7% in current dollars and by 5.8% in terms of 1961 dollars.

6. In comparing the Main Estimates of 1973-74 with the final authorization of 1972-73 some of the major increases are as follows:

Increases in Statutory Items	
Unemployment Insurance Commission	$890 million
Public Debt Program	263 million
Fiscal Transfer Payments Program	190 million
Hospital Insurance Contributions	114 million
Payments to Rail and Transportation Companies	92 million
Canada Assistance Plan Payments	84 million
Medical Care Contributions	52 million
Increases in Voted Items	
Defence Services	246 million
Accommodation Program	88 million
Post Office	85 million
Development and Utilization of Manpower Program	71 million
International Development Program	41 million
Indian and Eskimo Affairs Program	39 million
Canadian International Development Agency	37 million

7. In the course of its examination of Information Canada your Committee asked for details of the leases of Information Canada bookstores and enquiry centres in the six Canadian cities where they are presently located. The terms of these leases are attached to this report. Some of these leases involve high rental payments in addition to occupancy alteration costs. Your Committee was specifically interested in the Montreal location where the bookstore rental is $25 per square foot, the total rental per annum is $229,223 and the occupancy alteration costs are $250,000, the lease term being for ten years. Your Committee has requested that Treasury Board provide the general policy under which leases by government departments such as these receive approval. The Treasury Board has undertaken to provide this information and it is possible

further examination of this policy may be required by your Committee.

8. In the course of its examination of Information Canada your Committee requested the Treasury Board to supply it with the total cost of federal government information services. Your Committee has defined federal government information services as "the total cost of informing the public or any member of the public about the activities of each Minister and his department and any Crown Corporations and agencies for which the Minister is responsible or for which he is the spokesman in Parliament." Your Committee recommends that this figure be calculated annually by Treasury Board and provided to Information Canada for inclusion in the Annual Report of Information Canada.

Respectfully submitted.

D. D. Everett,
Chairman.

WITNESSES WHO APPEARED BEFORE THE COMMITTEE

Issue Number	Date	
4	June 6	From the Department of Labour—Information Canada Mr. Guy R. D'Avignon Director General of Information Canada Mr. A. G. Trickey Assistant Director General of Information Canada
4	June 6	From the Department of Industry, Trade and Commerce Mr. J. A. Murphy Director of Information Services Branch Mr. J. L. Bradley Assistant Director of Fairs and Missions Branch
4	June 6	Representative of the Press Gallery Mr. Arthur Blakeley
5	June 7	From the Department of Labour The Honourable John Munro Minister of Labour
5	June 7	From the Department of Labour: Information Canada Mr. Guy R. D'Avignon Director General Mr. A. G. Trickey Assistant Director General Mr. Claude Beauchamp Director of Publishing Mr. David Monk Director of Communications
5	June 7	From the Department of Agriculture Dr. G. M. Carman Director General of the Information Division
6	June 13	From the Department of Labour Mr. John McLeod Representative from the Public Relations Branch
6	June 13	From the Department of Labour—Information Canada Mr. Guy R. D'Avignon Director General of Information Canada Mr. A. G. Trickey Assistant Director General of Information Canada Mr. Tom Ford Director of Regional Operations Mr. J. Creighton Douglas Director of Expositions
6	June 13	From the Treasury Board The Honourable C. M. Drury President Mr. B. A. MacDonald Assistant Secretary, Programs Branch Dr. D. G. Hartle Deputy Secretary, Planning Branch

LEASE CONDITIONS FOR INFORMATION CANADA CENTRES

1. HALIFAX

Location: 1683 Barrington Street, Johnson Building

Building Owner: Province of Nova Scotia

Square Footage: 6,372; Rate: $6.00; Total per annum: $38,232.

Lease Duration: 5 years—June 1, 1972 to May 31, 1977

Date of T.B. Approval: June 8, 1972

Occupancy Alterations Costs: $115,064

Maintenance and Operating Costs: $10,513 chargeable to vote 10

Vote: vote 10

2. MONTREAL

Location: Bookstore—Ground floor, Shell Towers, St. Catherine/University Sts. Enquiry Centre—8th floor, Shell Towers, 1255 University St.

Building Owner: West Crown Holdings Ltd., 1255 University St.

Square Footage:

Store:	8,270	Rate: $25.00	Total per annum:	$206,900
Enquiry Centre:	2,756	Rate: $ 8.10	Total per annum:	$ 22,323
Total	11,032			$229,223

Duration of Lease: 10 years—November 1, 1971 to October 30, 1981

Date of T.B. Approval: NOT INCLUDED

Occupancy Alteration Costs: $250,000

Maintenance and Operating Costs: included in rent

Vote: vote 10

3. OTTAWA

Location: Bookstore—Ground floor, Vanguard Building, 171 Slater St. Enquiry Centre—12th floor, Vanguard Bldg., 171 Slater St.

Building Owner: 171 Slater Street Ltd., 1801 Woodward Drive, Ottawa

Square Footage:

Store:	5,381	Rate: $8.50	Total per annum:	$45,739
Storage:	2,692	Rate: $2.10	Total per annum:	$ 5,653
Enquiry Centre:	6,050	Rate: $5.20	Total per annum:	$31,450
Total	14,123			$82,842

Lease Duration: 10 years—from May/June 1970

Date of T.B. Approval: NOT INCLUDED

Occupancy Alteration Costs: NOT INCLUDED

Maintenance and Operating Costs: included in rent

Vote: vote 10

4. TORONTO

Location: 221 Yonge Street

Building Owner: Adams Furniture Company Ltd., Toronto

Square Footage: 9,747; Rate: $8.84; Total per annum: $86,200.

Lease Duration: 5 years—from occupancy

Date of T.B. Approval: January 12, 1972

Occupancy Alterations Costs: $157,642

Maintenance and Operating Costs: included in rent

Vote: vote 10

5. VANCOUVER

Location: Corner of Robson and Granville

Building Owner: Murray Goldman Ltd.

Square Footage: 10,800; Rate: $11.11; Total per annum: $119,988.

Lease Duration: 5 years—from January 1972

Date of T.B. Approval: February 2, 1972

Occupancy Alteration Costs: $270,000

Maintenance and Operating Costs: included in rent

Vote: vote 10

6. WINNIPEG

Location: 391-393 Portage Ave.

Building Owner: Laporte Realty Ltd.

Square Footage:

Store:	5,040	Rate: $7.52	Total per annum:	$37,901
Storage (crude):	1,900	Rate: .53	Total per annum:	1,007
Storage (regular):	3,000	Rate: 2.00	Total per annum:	6,000

Lease Duration: 5 years—from occupancy

Date of T.B. Approval: 19/11/70

Occupancy Alteration Costs: $83,900

Maintenance and Operating Costs: included in rent

Vote: vote 10

THE SENATE

Tuesday, June 26, 1973

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

Prayers.

THE LATE DR. GILBERT C. MONTURE, O.B.E.

TRIBUTES

Hon. Eugene A. Forsey: Honourable senators, I should like to ask leave to pay a brief tribute to a very distinguished Canadian who died last week, Dr. Gilbert C. Monture, one of the most illustrious engineers of his time, a distinguished public servant for many years in the Geological Survey of Canada and a notable man in many ways, in many respects. I venture to do so because I knew him for a great many years. He was an old friend of my mother's when they were both in the Geological Survey of Canada, and later, after he retired from the Public Service, he became one of the governors of Trent University where I got to know him very well indeed.

He was, in his later years, after his retirement, called upon by I should think very nearly every government in the world for advice on his subject, mining engineering.

Not only was he a very distinguished man in his profession, but he was a man of immense learning and cultivation far beyond the confines of his own special subject. I may illustrate this by the fact that once in Europe he was attending a scientific congress where he had occasion to discuss a subject with a gentleman who he found knew no English and no other modern language that Dr. Monture himself knew. So they discussed the matter in Latin and became great friends.

I think I need hardly say that it is not every modern mining engineer in Canada who is capable of conducting a prolonged and technical conversation in Latin. This was just one of the many facets of Gilbert Monture's character.

I have a very special reason for speaking about him today, because not only was he a very great and illustrious Canadian, he was also a very great and illustrious member of the Mohawk tribe. He was a very notable representative of the Indian people in this country and despite his wide circle of friends and acquaintances gained through his great fame both in this country and outside, he never lost touch with his own people. He remained firmly an Indian and a Mohawk right to the end.

To go with him, as I did, on many occasions on motor trips from here to Peterborough—when we were going to meetings of the Board of Governors of Trent University—was really a liberal education. He had such a fund of knowledge, such a fund of good stories, so much wit, and he expressed it all in such terse and elegant English. I should like to mention just one or two examples of his wit.

On one occasion he was with a group of people, French Canadians and English Canadians, who got on to the subject of how long their families had been in Canada. Some of the English-speaking people said, "Our people have been here for 200 years," and some of the French Canadians said, "Our people have been here for 300 years," and then somebody who did not know that he was an Indian turned to Dr. Monture and said, "Dr. Monture, how long has your family been in Canada?" and 'Slim', as we called him, looked up at the ceiling and said, "Oh, about 10,000 years."

Another example of his wit I got from my cousin, who got his first post-war job from Dr. Monture. He said he went into the office one day to do some filing, or something of the kind, and Dr. Monture was on the telephone, evidently to a rather stuffy civil servant who was giving him the runaround, explaining why something that ought to be done couldn't be done because of this obstacle, that obstacle and the other obstacle. Finally Dr. Monture completely lost patience and he said, "Well, I think I'll go back to the reservation; I am just tired of carrying the white man's burden."

He was a very remarkable man in every way, and he had lived to what I suppose most of us would now call not a very ripe old age. He was, and I am inclined to use the expression only, 77 when he died but he had crowded his 77 years with more achievements and more distinctions than fall to the lot of most people even in a much longer span. It is an abiding regret to me that he was never named to sit in this chamber, because he would have been an enormous asset to us. He would have added great distinction and it would have been a very suitable recognition of his achievements as a Canadian and also as a representative of his people, the Indian people of Canada. I think I forgot to mention that, among other things, he was a soldier with a distinguished record in the First World War.

I felt I could not let this occasion pass when this very distinguished man had left us without paying a small and very inadequate tribute to his immense services to the country and to his own people, the Indian people of Canada.

PENSION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-202, to amend the Pension Act.

Bill read first time.

SECOND READING

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

Hon. Chesley W. Carter, with leave of the Senate and notwithstanding rule 44(1)(f), moved the second reading of the bill.

He said: Honourable senators, I am very pleased to have the opportunity to introduce Bill C-202, which has as its purpose the improvement of the lot of those veterans who were disabled in the service of their country and of the lot of their dependants. There is no need to remind honourable senators of the sacrifices which were made by the hundreds of thousands of men and women who served in Canada's armed forces during World War I, World War II and the Korean War, also by members of the Canadian Forces who have served in peacekeeping operations in many troubled spots around the world. There is, therefore, an obligation on the part of the government and the people of Canada to provide compensation to those members of the armed forces who have been disabled and to the dependants of those who have died as a result of military service. In fulfilment of this obligation, Parliament has enacted a body of legislation commonly referred to as the veterans' charter, which is generally recognized as some of the most enlightened veterans' legislation to be found anywhere in the world.

Honourable senators will recall that just over two years ago the Pension Act was completely revamped, providing many new and greater benefits to disabled veterans. At the same time the machinery for adjudicating pension claims was restructured in a way that ensured that every claim would receive maximum consideration. Bill C-202 is another important step in that direction, because for the first time it establishes as an accepted principle that the basic rate of a totally disabled pensioner should be related to the rates paid to unskilled employees in the Public Service. It also embodies a formula by which the basic rate is to be determined.

● (2010)

This is something that veterans' organizations have been requesting for many years and much of the credit for its final realization belongs to our esteemed colleague Senator Arthur Laing who, when he was Minister of Veterans Affairs, directed senior officials of the Canadian Pension Commission and of the Department of Veterans Affairs to form a joint study group along with representatives of veterans' organizations to consider the entire question of pension rates.

The report of this joint study group was tabled in the House of Commons on January 31, 1973, and referred to the Standing House of Commons Committee on Veterans Affairs. The committee considered the report and endorsed its recommendations.

Bill C-202 is based on that report and it achieves the following four objectives:

(1) It raises the basic rate of pension for a single 100 per cent disability pensioner so that, exclusive of any additional allowances he may receive, his basic rate would be $4,704 per annum. This is an increase of 34.2 per cent, or $100 a month more than the previous basic rate established in 1971. However, because there have been increases related to the consumer price index in January 1972, and again in January 1973, the actual percentage increase over the current rates being paid is 24 per cent. In terms of dollars it provides an increase of $910 a year in basic rate to the 100 per cent pensioner over what he received after the January 1973 adjustment. This does not take into account any additional allowances to which he may be entitled.

(2) It raises disability pension rates for lesser degrees of disability by the same ratio.

(3) It defines that these rates are based on the average composite salary of five categories of unskilled employees in the Public Service after income tax has been deducted in a manner set out in the bill. At the same time the principle that the pension itself is not taxable is continued.

(4) It provides an established relationship between the basic pension and the pension payable to a widow, or on behalf of a wife and children, or for other dependants at set percentages so that in future years when there is a change in basic rate for the disability pensioner, the rates for these dependants can be adjusted in accordance with the established percentages.

As honourable senators can see, Bill C-202 is extremely simple, consisting only of three clauses and two schedules, schedule A and schedule B.

Clause 1 deals with discretionary payments by the Pension Commission to dependent parents, and the only changes in this section are changes in figures. The amount of discretionary payment is listed as not exceeding $1,050 per annum as compared with $804 per annum in the present law.

Subclause (2) of clause 1 has to do with those cases where a deceased veteran leaves more than one dependant parent. Here the figure has been increased from $384 in the act as it now stands to $501 per year in the proposed amendment. The only changes have to do with amounts that may be paid, and these have been increased in line with the percentage increase in the new proposed schedules.

Clause 2 sets forth the principle of basing pension rates for 100 per cent disability pensioners on the rates paid for unskilled labour in the Public Service of Canada. It also sets forth the five categories included in the formula by which the basic rate will be determined.

Clause 3, to be found at the bottom of page 5, stresses the urgency of getting this bill enacted into law before the end of this month. Should this bill not receive royal assent before July, then it will not come into effect until August 1, and veterans and their dependants will be deprived of the increases for the month of July, which total some $4 million.

Schedule A sets forth the scale of pensions for disabilities, showing the basic pension for the veteran and the additional pensions for wife and children. Schedule B sets forth the scale of pensions for widows, dependent parents and orphans.

Honourable senators, I have prepared a brief table showing how the proposed schedules A and B compare with the schedules in the present act and with the annual rate now being paid. To save time, I would ask that this table be taken as read and inserted in *Hansard* at this point.

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

Hon. Senators: Agreed.

PROPOSED ANNUAL RATES COMPARED TO THE RATES NOW SHOWN IN SCHEDULES "A" AND "B" OF THE PENSION ACT

100% Pension	Annual Rate Now Shown in Pension Act (Eff. 1 Apr 71)	Proposed Annual Rate	Increase in Amount	Percentage Increase
	$	$	$	%
Pensioner	3,504.00	4,704.00	1,200.00	34.2
Wife	960.00	1,176.00	216.00	22.5
First Child	456.00	612.00	156.00	34.2
Second Child	336.00	446.40	110.40	32.9
Subsequent Children	264.00	352.80	88.80	33.6
Widow	2,640.00	3,528.00	888.00	33.6
*First Child or Orphan	912.00	1,224.00	312.00	34.2
*Second Child or Orphan	672.00	892.80	220.80	32.9
*Subsequent Children or Orphans	528.00	705.60	177.60	33.6
*Dependent Parent	1,800.00	2,352.00	552.00	30.7

PROPOSED ANNUAL RATES COMPARED TO THE RATES NOW BEING PAID

100% Pension	Annual Rate Now Being Paid (1973)	Proposed Annual Rate	Increase in Amount	Percentage Increase
	$	$	$	%
Pensioner	3,793.44	4,704.00	910.56	24.0
Wife	1,039.32	1,176.00	136.68	13.2
First Child	493.68	612.00	118.32	24.0
Second Child	363.84	446.40	82.56	22.7
Subsequent Children	285.84	352.80	66.96	23.4
Widow	2,858.16	3,528.00	669.84	23.4
*First Child or Orphan	987.36	1,224.00	236.64	24.0
*Second Child or Orphan	727.44	892.80	165.36	22.7
*Subsequent Children or Orphans	571.56	705.60	134.04	23.4
*Dependent Parent	1,948.72	2,352.00	403.28	20.7

NOTE: *Pensions awarded to parents or brothers and sisters may be less than these amounts.

Hon. Mr. Phillips: Did you prepare the table, Senator Carter, or did someone in the Department of Veterans Affairs prepare it?

Hon. Mr. Carter: The table was prepared, I believe, by the Pension Commission.

Hon. Mr. Phillips: I wanted to make that clear. I thought you said you had prepared it. Were that the case I would question its accuracy. If it was prepared by the department, I would not question it.

Hon. Mr. Carter: Honourable senators, Bill C-202 is a good bill. To realize how far we have come in improving veterans' disability pensions, we must remember that when the Pension Act was first introduced in 1919 the basic rate for a 100 per cent pension was $720 per year, and if the pensioner was married he got $180 extra. In 1920 this was increased to a basic rate of pension of $900, plus another $300 if married. By 1951 the basic rate had climbed to $1,500, plus $540 if married. Between 1951 and 1971 there were nine increases, bringing the basic rate up to $3,504, as reflected in the present act, plus $960 if married.

The bill before us would bring the basic rate up to $4,704 for the 100 per cent pensioner, plus an extra $1,176 for his wife. In addition there is provided $612 for the first child, $446 for the second child, and $352 for subsequent children.

As I pointed out earlier, increases in the rates for the wife and children did not always accompany increases in the basic rate for veterans. This has now been taken care of in the bill before us. Following the principle set out in the report of the joint study group on the basic rates of pensions, fixed percentages have been written into the schedules so that when there are future changes in the basic rate, the rate of those other categories will be automatically increased in the same proportion.

Honourable senators will be aware that one recommendation made by the joint study group has not been incorporated in this bill, that being the recommendation with respect to automatic escalation. This would have enabled veterans' basic pensions to be automatically increased whenever there was an increase in the salaries of the five categories of public servants included in the formula on which the basic rate is based. The government could not accept that recommendation because of the possible ramifications of establishing a precedent of this kind. In this connection, however, it must be remembered that the cost of living increase based on the Consumer Price Index which was incorporated in the budget of 1972 is still effective and applies to the rates in the schedules to this bill.

• (2020)

In conclusion, I should like to pay tribute to those who have been involved in the studies that led up to this bill. I have already mentioned our colleague, Senator Arthur Laing. I should also like to include Mr. Alan Solomon, the Chairman of the Pension Commission, who acted as chairman of the joint study group, and Mr. Robert Smellie, the Dominion president of the Royal Canadian Legion. I should like to pay a special tribute to the veterans' organizations themselves, who have taken a very responsible attitude towards the problems and plight of the veteran pensioner and his dependants, and have been untiring in their efforts on his behalf.

Honourable senator, Bill C-202 has the enthusiastic endorsation of all the veterans' organizations, and I commend it for your support and speedy passage.

Hon. Orville H. Phillips: Honourable senators, in rising to speak on Bill C-202 I am well aware that the legislation is based on the so-called joint study made by members of the Canadian Pension Commission, the veterans' organizations, and various lay groups interested in the welfare of Canadian veterans. I am also very much aware that it received unanimous support and, a thing that is extremely rare today, ready passage in the other place.

I will not impede the passage of this bill, for the simple reason that we have received—Senator Croll, if you would like to go through the bill with Senator Carter, would you please extend me the same courtesy and go through it with me?

Hon. Mr. Prowse: You would learn more here.

Hon. Mr. Phillips: You have not shown any sign of doing that.

Honourable senators, as I was saying, I will not impede the passage of this bill. However, I have certain personal questions, not necessarily those of my party, that I would like to raise, while at the same time commending the improvements in the bill.

In introducing the bill, the sponsor, Senator Carter, kept referring to table after table, and asking to have them put in *Hansard*, which really does not give me a chance to study them or reply to them. While he was doing this, I thought of the old story told of George Bernard Shaw, who received a letter addressed to "George Bernard Shawm." The old gentleman was furious about this and complained to his wife. He said, "There's no such word as 'Shawm.'" His wife, like a good many other wives, felt she was somewhat of a martyr. She took the distinguished old gentleman to the dictionary, looked up the word "shawm," and found it was "an old fashioned wind instrument." When I was listening to that, I thought, I have heard these figures and these comparisons before. They have not impressed me, and they do not impress me this evening.

Honourable senators, my first objection is the basis of the 100 per cent pension. I am sure you have heard me raise this objection before. It is based on the average income of the lowest five categories in the Public Service. This always irritates me, and infuriates me.

Perhaps it is unfair to single out one member of this chamber for a question, and I do not do so in any spirit of hostility but in a spirit of compliment and respect. I would ask the Honourable Senator Inman if she considered her sons—who served with such distinction in the armed forces—to be nothing more than unskilled labourers, Clerical I? It is all laid out in the act, the bare minimum. Honourable Senator Inman, your sons are more than unskilled labourers today; why should not the average veteran be treated the same way?

We continually compound this old theory of unskilled labourers and it annoys me and it infuriates me. The reference back to 1919—which I believe was made by the sponsor of the bill, or perhaps by some member of the other place—is disgraceful.

In my class in the air force there was no one who had failed to graduate from high school. Each one of them showed some potential. I find it very interesting today to go over the list of those who were in my class in bombing school at Mossbank, Saskatchewan, and see what each is doing. Of those who survived—and, by the way, about 60 per cent of that group did not—there is not a single one who is an unskilled labourer today. I think only three did not graduate from university. Yet under this legislation these increases are on the basis of the average earnings of an unskilled labourer, a messenger, or a member of the protective staff. I will have more to say about the income tax deductions later.

Honourable senators, I wonder who made up this figure for the unskilled labourer. I am afraid that in the so-called joint study committee there were too many people getting $35,000 a year who did not care a jot about the average veteran. Let me quote to you the average rate for the labourer, and this is union rate in the city of Ottawa. It is $5.05 an hour, or more than $40 a day, and on a five-day week that is $200 per week.

• (2030)

What are you offering the 100 per cent disabled veteran? You are offering him $98 per week. Are you proud of that? I am not. Admittedly, you can squirm and you can find reasons and say, "Oh, well, there is income tax and there are various other things," but I am not proud of the fact that a 19-year-old without any skills can go and join a union and get $5.05 an hour, $40 a day, $200 and more a week, while we are offering our veterans $98 per week.

In referring to the five categories of unskilled employees in the Public Service as listed in the bill I would draw your attention to one particular fact, namely, that the average civil servant, regardless of what his category is and so on, receives an annual increment. In

other words, if he has been employed for two years and this is his third year, he receives approximately $150 a year increase in salary because he has been employed a bit longer. In addition, he receives the regular salary increase granted to public servants.

There is nothing in this bill to support that practice and, in fact, it is rather interesting to read the evidence in the other place, which shows that in the last 26 years the total increase for a 100 per cent disability pension is $2,600, or $100 per year. It is less than the increment granted to public servants. Here again I raise my objection.

Honourable senators, as in the past, I have very much questioned the idea that the same disability pension should apply to everyone. I have objected to that before. As a Legion member and as a member of the House of Commons I have objected, and now, as a senator, I still object, to the principle that the loss of a hand, for example, deserves so much money per month. Let us consider what the situation would be if the individual had been a musician before he entered the armed forces and lost his hand. Say he had made his living playing the piano. He could not play the piano with only one hand. Perhaps some of you do once in a while, but you would not attract much of an audience. And yet that individual is now reduced to the scale of an unskilled labourer.

I think of a personal friend of mine who, having his Bachelor of Science degree, applied to get into a faculty of medicine and was refused because he had been shot through the hand. He was refused his chosen career on that basis only. Honourable senators, do you know what you are doing for that chap under this bill? You are giving him $19.60 a month. That is really something to wave a flag about and be proud of.

We have always boasted about the fact that veterans' pensions are free from income tax. It has been said that the level could be lower than the average wage earner's income because the veteran does not pay income tax. Well, clause 2 of the bill, on page 2, states:

> Schedules A and B to the said Act are repealed and the following schedules substituted therefor, which schedules are based on the composite average salary—

Not the maximum average, you will note.

> —as of October 1, 1972, after income tax has been deducted at the rate for a single man on the basis of income tax payable in the province with the lowest combined federal and provincial income tax—

And then it goes on to mention the lowest five categories in the Public Service.

Let us be honest with ourselves and with everyone else, and face up to the fact that the veteran is paying income tax on his 100 per cent disability pension, because this act states that it has already been deducted before he receives it. Moreover, all honourable senators know that income tax is taken off our pension, or rather our salary before we receive it.

Hon. Mr. Croll: We heard you the first time.

Hon. Mr. Phillips: Perhaps there is more truth in that than poetry, Senator Croll. At any rate, we do not turn round and pay on that again. So why should a veteran? Why not face up to the fact that the veteran is, in effect, paying income tax on his disability pension. I should add further that the tax is deducted at the rate for a single person. I do not know how many pensioners are single or how many are married, but it would be an interesting comparison to make.

There is one other point I should like to mention before I fall victim to my own description of "Shawm," and that is that the various veterans' groups requested that this bill include what they call a standard-of-living clause such that when the five groups of public servants mentioned in the bill receive a wage increase, the same wage increase would apply to veterans' disability pensions. That clause is not in the bill, and I understand from veterans' groups that they accepted this point as a sort of mediation basis, and have made the Minister of Veterans Affairs very well aware of the fact that when these five groups receive an increase in wages the veterans expect the same increase in their disability pensions.

● (2040)

Honourable senators, I think this is only fair. I do not think any one will disagree with me if I say to the government that this chamber expects it to carry out the standard-of-living clause for our veterans. Thank you for your indulgence.

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: If honourable senators so desire, I would move that this bill be referred to the appropriate committee for study, but since this was not done in the other place I wonder if there is any need to do it here.

Hon. Mr. Phillips: Honourable senators, considering the futility of our committees in view of the July 1 deadline, might I suggest that we have third reading now.

Hon. Mr. Carter: I so move.

The Hon. the Speaker: Honourable senators, it is moved by Honourable Senator Carter, seconded by Honourable Senator Phillips, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. David A. Croll: Honourable senators, before this bill is read a third time, I should like to take the occasion to say that I am feeling rather uncomfortable about it. I am in favour of the legislation, but I am somewhat troubled too.

When we talk about pensioners generally, I know that we try to be fair. When I was in the House of Commons I was a member of the Veterans Committee from the time I entered that house until the time I left. I helped write the charter. And as I sat here listening to Senator Carter, who has always been a strong advocate of the veterans' case, as has Senator Phillips, I remembered two young men who joined the army when I joined in 1939. I was 15 years older than they were—I was 40 and they were 25. Each had just got married. They joined the regiment, went overseas and were badly injured. One is now a paraplegic and both are in receipt of a 100 per cent disability pension. In Windsor

over the weekend I learned that one of these men—I was talking to a relative of his—would be getting an increase of between $90 and $100 as a result of this legislation. Now, he was not at all ungrateful, but it seemed to me that the sum was so little for a 100 per cent disability pensioner. I would point out that when this man joined the regiment he was not unskilled; in fact, he was a very skilled young man. But what was left for him when he came back? He has to live on a pension the rest of his life. As I mentioned earlier, both these young men were just newly married when they joined the regiment, so you can understand what happened to their marriages.

Normally when we speak of pensioners, I think we are speaking of unskilled workers. This fact in itself has created some difficulties in so far as the Pension Act is concerned. But for years and years we have kept it as applying to a basic unskilled category.

I would also point out, honourable senators, that the thought of providing an automatic increase did not appeal to the government, and the reason that was given was that it might be a precedent. But what better precedent could be set? I had not given this matter too much thought recently, except in a general way, until the matter came up in the House of Commons, and I was asked by some veterans when we would be likely to deal with the bill. I said that it probably would be before the end of the session. For once in my life I was right. But I think we are dealing with the bill on wrong principles, and on a wrong basis. We should keep in mind that we are dealing with pension legislation for people who are in some cases almost helpless, for people who are from 75 per cent to 90 per cent disabled. I know that so far as these people are concerned, it might be considered a case of out of sight, out of mind. We are not in the habit of thinking of people in these circumstances until a bill like this comes before us for consideration, but I think they are people in whom we ought to take a greater interest. I know that veterans' organizations do take such an interest, and they are doing a tremendously important job. But we who are parliamentarians and veterans, who know the situation at first hand, ought to make sure that we do more in the Senate in respect of such matters as veterans' pensions, and indeed other pensions as well.

I am aware that some pensions which were granted years and years ago have totally outlived their usefulness, but veterans' pensions are a public responsibility, and when the government speaks about not wanting to set a precedent, I would reply that it is never a bad precedent to set when you do something of value for veterans.

Hon. Mr. Asselin: What do you suggest?

Hon. Mr. Choquette: It is a nice speech. You might get good publicity. But what do you say by way of something constructive? As I say, I like the type of speech you make. It is always good for publicity. Now what do you suggest that would be constructive?

Hon. Mr. Croll: I did not stand up here and speak just for publicity. I did so because I was bothered.

Hon. Mr. Choquette: But you stood up to speak.

Hon. Mr. Croll: I was bothered because this measure relates to veterans, and I stood up to speak on that basis.

Hon. Mr. Choquette: And what did you accomplish?

Hon. Mr. Croll: I accomplished this, I think; I got you to the point where you are thinking and talking about it.

Hon. Mr. Choquette: Not thinking about it; thinking about you.

Hon. Mr. Croll: Don't waste any time thinking about me. I will look after myself.

Hon. Mr. Choquette: You usually do. You didn't call the TV?

Hon. Mr. Croll: What I was suggesting was that the Senate should take an interest in matters concerning veterans. If this has registered, then it will be a good thing for the veterans.

Hon. Mr. Phillips: Honourable senators, I am not one of those speakers who prepare a written speech, and then read it verbatim. Probably my speeches would be much better if I were to do so. But I did make a note in the submargin of my headings to comment on Senator Carter's remark, as did Senator Croll just now, and that was simply to state that there was no precedent cited on enlistment, there was no precedent cited when going into combat; why should it be considered as a precedent now?

I thank you very much, Senator Croll, for bringing my omission to the attention of the Senate.

• (2050)

Hon. Mr. Carter: Honourable senators, Senator Croll referred to $100 per month and I am not too clear as to that. The bill increases the basic rate by $100 per month.

Hon. Mr. Croll: That is what I said—an increase of approximately $100 on the basic pension.

Hon. Mr. Carter: That is on the basic pension.

Hon. Mr. Croll: Yes, that is exactly what I said.

Hon. Mr. Asselin: Senator Croll said it is not enough.

Hon. Mr. Carter: But it also increases the widows', wives' and children's allowances in the same proportion. The total increase per month is, therefore, much more than $100.

Hon. Mr. Croll: Honourable senators, I spoke of two young men who had just married before going overseas, and when they returned they were 100 per cent pensioners. The family increase did not affect them at all. I was referring to the increase of $100 for these two young men.

Hon. Mr. Carter: I have a clearer idea now but, of course, Senator Croll must remember that in the early days there were no allowances for children. The basic rate applied for the pensioner, plus an additional amount for the wife if the pensioner were married. That situation continued for many years, until eventually allowances were granted for children in addition to the wife and the veteran himself. In my opinion, we would all be happier if we could do more for our veterans than we are able, but we must agree that an increase of $100 per month over the basic rate established two years ago is a substantial increase.

Hon. Mr. Phillips: Pardon me for interrupting, Senator Carter. You are putting very misleading figures on the record when you say it is an increase of $100 per month over the rate of two years ago. Perhaps you are using Joey

Smallwood's arithmetic but, for the love of Pete, will you bear in mind total figures, and put them accurately on the record. Do not give us this Joey Smallwood arithmetic; it just does not add up to your figures.

Hon. Mr. Carter: To take the total figure, the average Canadian family consists of a man, a wife and two children. The 100 per cent pensioner receives $4,704 as a basic pension for himself, another $1,176 for his wife, and $1,058 for the two children, amounting to a total of $6,938, or almost $7,000. That in my opinion compares very well with average salaries. I have not checked the figures, as we were not thinking of giving the bill third reading tonight and I would have an opportunity to investigate the correct figures tomorrow. Based on the research carried out by the Special Senate Committee on Poverty, it is my opinion that this figure is well above the average Canadian salary.

Honourable senators must also remember that many veterans, even 100 per cent pensioners, in addition to receiving a pension have also been rehabilitated by the government. Many of them are professionals, such as lawyers and doctors, who have been educated under the veterans' charter. They are, therefore, earning professional salaries in addition to receiving the pension as a matter of right.

The widows, who have no means of supplementing their incomes and are totally dependent on the amount of the pension, suffer most, of course. It must not be assumed, however, that every pensioner, or even every 100 per cent pensioner, is totally dependent on the amount of pension received. As I said, no one would be happier than I if we could double this figure, but the government in its wisdom has decided that this is as far as it can go at this time. It has made a case, apparently, which has been accepted by the veterans' organizations and the committee in the other place, who are quite happy with this. They must have been impressed by the government's contention that to establish this type of precedent would immediately invite other categories, such as old age pensioners and other groups, to press for the same principle to be applied to their pensions.

Hon. Mr. Phillips: Now, you do not really mean that, do you?

Hon. Mr. Carter: I do not condemn the government for not accepting that precedent, which in my opinion they would have to consider very carefully. I am very happy that Bill C-202 and the increases embodied in it are a substantial step forward as compared to the amounts received by the veterans only two years ago.

Hon. Mr. Phillips: Honourable senators, as the seconder of the motion, I feel that I must make a few brief remarks, and again point out that Senator Carter used the most advantageous figures. However, we will not accomplish anything for the veterans tonight by bandying back and forth whether it is 100 per cent, 50 per cent, or the 48 per cent at which the widow is cut off. We will not accomplish anything before July 1 if we become involved in that.

Honourable senators, I was rather surprised that Senator Carter would put forward the fact that the government rehabilitated many veterans. There is nothing unusual in that. Today I can listen to members of this chamber cry for rehabilitation of criminals. Surely a veteran is entitled to the same rehabilitation as a criminal, and the fact that he has been rehabilitated by the government should not be thrown in his face. If it is intended to do that, we must recognize the fact that it may be that he was uprooted and taken away by the government.

My final point is that I do not understand Senator Carter's viewpoint that if certain benefits were granted to veterans, other groups such as old age pensioners would demand the same treatment. I am quite prepared to give old age pensioners their due, and they have a great deal due to them. On the other hand, I wish to make it clear that a veteran is in a class of his own. He has earned that classification, which no amount of money, no amount of age, and no amount of pressure can earn. Let us treat the classification of veteran with respect, and quit our quibbling back and forth over this bill. I know it is not perfect and am not happy with it, but I for one would like to see it in effect on July 1.

Hon. Mr. Buckwold: Honourable senators, I wonder if Senator Carter would answer a question, which I ask really for my own information. Is the veteran who is receiving the pension entitled also to the old age pension?

• (2100)

Hon. Mr. Carter: Yes.

Hon. Mr. Buckwold: In addition, is he entitled to any part of a Canada pension to which he may have contributed?

Hon. Mr. Carter: Yes, that is right. The war veteran's pension, under the Pension Act, is a pension received as a matter of right. In addition, the veteran is entitled to receive the old age pension and any civil pension which he may have from the Public Service, plus any benefits under the Canadian Pension Plan. If he is a totally disabled veteran, he can receive a dependant's allowance up to, I believe, $4,000. He is entitled, in addition, to benefits for his children, education benefits, and so on. This is not a total package.

Hon. Mr. Choquette: You would have forgotten that, had it not been for the question of Senator Buckwold.

Hon. Mr. Buckwold: In addition to the $4,700 anyone over 65 would draw, if he is a single person, there is $1,200 in old age pension. In many cases he may also be drawing benefits under the Canada Pension Plan to which he would have contributed. The point I am making is that in addition to what he will receive under the bill now before us, the veteran, at the age of 65, is entitled to a considerable sum in addition.

Hon. Mr. Macdonald: Would the honourable senator tell us why he should not receive it? He is entitled to it as much as anyone else.

Hon. Mr. Buckwold: I would not want honourable senators to feel that $4,704 was all that a single 100 per cent pensioner would receive at the age of 65. That seems to have been the impression.

Hon. Mr. Phillips: Someone, namely, Senator Buckwold, completely unfamiliar with veterans' legislation, has interrupted and left on the record the fact that a war veteran receiving the war veterans allowance, or what we commonly call the burnt-out pension, receives, with the

addition of his old age pension and GIS, a considerable sum.

For your information, Senator Buckwold, the difference, on the average, is $7 per month. If you consider that a considerable sum, I suggest that you take it, live on it, and tell me in the fall, when we meet again, that it is a considerable sum.

Hon. Mr. Burchill: I should like to put a question to Senator Carter. I am very interested in the case of a veteran who has been receiving the war veterans allowance for a couple of years. Lately he has been obliged to have his leg amputated. He is completely disabled, and unable to work at any job. He waited for what seemed to be an interminable time for a decision from the Pension Commission on whether he is entitled to a pension. Last week he received notification that he would receive a 50 per cent pension. However, on the day he received that notification he was advised, by a representative of the Veterans Affairs Department, that the amount which he had been receiving since 1970 as a war veterans allowance would be deducted from his pension. The difference between what he will receive and what he has been receiving is not very much. To his dismay, the frosting is off the cake. Is that the order of the day? Must that amount be deducted from this veteran's pension?

Hon. Mr. Carter: Yes. The case referred to by Senator Burchill did not come under the Pension Act until the Pension Commission granted the entitlement. The money that that veteran was receiving was granted under the War Veterans Allowance Act, and is administered in accordance with a means test. The War Veterans Allowance Act has written into it a maximum income ceiling, and a veteran's income from all sources, including that of his wife, if she has an income, is totalled. If the total is less than the ceiling written into the War Veterans Allowance Act, the veteran is entitled to receive the amount in the form of a war veterans allowance to bring it up to the ceiling as set forth in the act.

In this particular case, the 50 per cent pension that he has been awarded is under the old rates. Under this bill, when it becomes law, I would judge that this veteran will be substantially better off than he was formerly under the War Veterans Allowance Act, even though probably he will no longer qualify for allowances under the War Veterans Allowance Act. In addition, he will receive an allowance for his wife, if he is married, and he will receive an allowance for his children. Also, should he die while receiving a 50 per cent pension, his wife will automatically qualify for a widow's pension. Senator Martin has mentioned in addition that his pension will escalate in accordance with the cost of living.

Motion agreed to and bill read third time and passed.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

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, 1972, pursuant to section 17 of the National Arts Centre Act, chapter N-2, R.S.C., 1970.

Copies of the terms of reference for the Independent Board of Examination related to the Air Transportation Needs of the Toronto Region.

Report on proceedings under the Canada Labour Code, Part III (Labour Standards), for the fiscal year ended March 31, 1973, pursuant to section 75 of the said Code, chapter L-1, R.S.C., 1970.

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

Report of operations under the Civil Service Insurance Act for the fiscal year ended March 31, 1973, pursuant to section 21(2) of the said act, chapter 49, R.S.C., 1952.

Report of the Army Benevolent Fund Board for the fiscal year ended March 31, 1973, pursuant to section 13 of the Army Benevolent Fund Act, chapter A-16, R.S.C., 1970, including its accounts and financial statements certified by the Auditor General.

NATIONAL HOUSING ACT

BILL TO AMEND—THIRD READING

Hon. Maurice Bourget moved the third reading of Bill C-133, to amend the National Housing Act.

Motion agreed to and bill read third time and passed.

AIRCRAFT REGISTRY BILL

SECOND READING

On the Order:

Second reading of the Bill S-9, intituled: "An act to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft".—(Honourable Senator Martin, P.C.).

Hon. Renaude Lapointe: Honourable senators—

The Hon. the Speaker: Has the Honourable Senator Lapointe permission to proceed in place of Senator Martin?

Hon. Senators: Agreed.

[*Translation*]

Hon. Miss Lapointe: Honourable senators, the bill before us for second reading is the Aircraft Registry Act. I am honoured to be able to present this bill, which is a simple and convenient measure, aimed at eliminating the legal difficulties faced by all persons who buy, sell or finance aircraft in Canada.

Before considering the special provisions of this bill, I think it would be useful to recall the historical background leading up to this bill, so as to place it in a given perspective.

Under the Aeronautics Act, we have had, for some years, a central aircraft registry in Canada. However, we have never had a central registry for the different kinds of claims that lenders may have on aircraft. This bill will

give Canada a registry of this kind, thus ending a very complex situation, since in order to guarantee claims encumbering an aircraft, it is now necessary to register them in the various districts of each province, and in all the countries to which the aircraft may travel.

That leads me to another very important aspect of this new act, its international implications. On June 19, 1948, twenty-five years ago, a convention was signed at Geneva, but to which, for several reasons, Canada was not a signatory and did not adhere. It was the Convention on the International Recognition of Rights in Aircraft. The new Aircraft Registry Act will give effect, through legislation, in Canada to the principles of that 1948 International Convention. Canada will thus be empowered to adhere to that convention and join the other 33 countries who have already signed that convention, or ratified it.

The act will enable Canadian builders of aircraft, as well as their partners and other persons who hold financial interest in those aircraft to put forward the claims they have on aircraft sold abroad or leaving Canada.

New provisions are becoming increasingly necessary in that field with the advent of larger and more expensive aircraft which travel regularly from one territorial jurisdiction to another. The existing legislation has proved inadequate and difficult to apply.

● (2110)

[*English*]

There are several aspects to Bill S-9 and, purely for the purpose of explanation, I will divide them into eight general provisions. First of all, the bill provides for a central aircraft registry in which a notice of interest in aircraft may be recorded. Notice of interest means ownership, leases of not less than six months, security for a financial debt and/or security for equipment or services provided the aircraft. To avoid complications, the bill allows notice of interest to be filed against an aircraft's components and avionics, but not against its spare parts. This first provision of the bill does away with the present requirement for registering a security or a lien against an aircraft in the several counties or districts in each province in which that aircraft may be operated. It will assist Canadian air carriers in financing the purchase of aircraft and it reduces the serious problems faced by aircraft buyers in searching titles.

Secondly, the bill provides for priority of claims according to the date on which the notice of interest is filed. A transitional clause does not allow this provision to change any priority of claims recorded under any act of Parliament or of any province before the coming into force of this bill.

Thirdly, the bill says that a creditor cannot sell an aircraft in which he has an interest, without obtaining an order of a superior court providing six weeks' notice, specifying time and place of sale and distribution of proceeds, and giving one month's notice to others who have recorded in the registry an interest in the aircraft. This will prevent situations wherein an aircraft owner could be caught by surprise when one of his creditors suddenly and unexpectedly decides to enforce his particular claim through sale.

[Hon. Miss Lapointe.]

Fourthly—and this is very significant—the new system is a voluntary system. However, the individual who does not ensure that notice of his interest in an aircraft is duly recorded in the federal registry does not maintain a claim under law against that aircraft. The benefits of the act respecting priority of interest are lost and no action can be taken to obtain seizure of the aircraft from subsequent purchasers.

Fifthly, the bill provides for the consent of each person who has registered a notice of interest in an aircraft before the registration can be cancelled for purposes of export. This gives much greater security to the creditor or financier. But a qualifying point which should be understood here is that the central aircraft registry is strictly an information system, in so far as it does not legally establish or guarantee clear title to an aircraft.

[*Translation*]

The sixth provision of the bill concerns passenger safety. The bill forbids the seizure of an aircraft operating on a domestic or international scheduled commercial air service. Thus the aircraft and its fare-paying passengers are guaranteed to be able to complete their flight without it being possible to resort to the Aircraft Registry Act to have this aircraft land en route. Anyone seeking seizure of the aircraft must lodge an application to the Federal Court of Canada which will decide the date and place of seizure of the aircraft but only after the scheduled commercial flight is completed whether it be in Canada or elsewhere.

Seventh, the bill provides for a notice of interest which, unless it has been cancelled or extended, shall be deemed expired five years after its date of registry.

The bill provides for regulations concerning the methods, the form and contents of the notice of interest, as well as the relevant procedures, the nature of the duties required, the authentication of duplicates, et cetera. Moreover, penalties are provided for the supply of fallacious information.

Finally, the last but not the least of the main provisions of this bill should supply the necessary judiciary basis which would enable Canada to adhere to the Geneva Convention on the International Recognition of Rights in Aircraft. To date, 33 countries have ratified this convention or requested to do so, including the United States, France, West Germany, Italy and Scandinavian countries. The United Kingdom is one of the signatory countries to this convention and has recently adopted provisions similar to ours under its 1972 Mortgage of Aircraft Order.

In brief, the aeronautical law branch of the Canadian Bar Association has been studying and advocating for a number of years the establishment of a central aircraft registry. The clauses have been reviewed and approved by representatives of the Canadian Bar Association, and some of their suggestions have been retained. The bill is also supported by Canadian aircraft builders, Canadian financial institutions and the Canadian Air Transport Association.

I hope that it will also be supported by the honourable senators.

● (2120)

[*English*]

Hon. Mr. Choquette: Honourable senators, I do not want in any way to embarrass the sponsor of the bill, Senator Lapointe, and this might be too legal a point to answer, but I notice the bill reads:

> Whereas a Convention on the International Recognition of Rights in Aircraft was signed at Geneva on the 19th day of June, 1948—

Which is 25 years ago, if my arithmetic is correct.

> —and it is expedient—

After 25 years.

> —that legislative provision be made for giving effect thereto and for performing the obligations of Canada in respect thereof in order that Canada may adhere to the said Convention—

We are now asked to pass this bill.

My question is this: What happened during the last 25 years when an aircraft was about to be sold? I think the sponsor of the bill will recognize that an aircraft is a chattel, and there can be liens against that chattel, such as for fuel bills. Before a transfer of such a chattel is made, searches have to be made in the registry office, as was pointed out by the sponsor. My question still remains: What has happened without the help of this legislation during the last 25 years?

[*Translation*]

Hon. Miss Lapointe: If you will allow me, I shall reply in French.

Hon. Mr. Choquette: Yes, please do.

Hon. Miss Lapointe: I must say that, at the present time, whoever has any claim in respect of an interest in an aircraft must register it in every area, every province and every country in which the aircraft flies. This requirement is extremely demanding and complex. We have decided to adhere to this convention precisely to facilitate claims and to centralize them in a register here in Ottawa.

I believe one small point falls within provincial jurisdiction. That is why we are very careful in asserting that any claim submitted to the central registry does not establish title to any rights; I feel that the matter of rights would be a matter of provincial jurisdiction. We therefore evade that difficulty, because the convention itself does not require that a system of titles be set up, in that is does not require proof that the claim is legal. It is simply a matter of registry, whereby all claims are registered, that is all. There is nothing more to it than that.

Then, I think that the person who submits a claim must, if it is disputed by aircraft owners, plead his case before some court.

Hon. Mr. Martin: Fine.

Hon. Mr. Bourget: Fine, you are an excellent counsel.

Hon. Miss Lapointe: Other objections may also come to the minds of honourable senators. For instance, one may ask why we exempt "spare parts" of aircraft. It is because these "spare parts" may not be found in the same locations where a seizure of aircraft is likely to occur. The aircraft could be either in Paris, London or Chicago, and the spare parts could be stored in a variety of other locations, which would make things very difficult, and this is why spare parts are exempted from seizure.

[*English*]

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Miss Lapointe: At the next sitting of the Senate.

Hon. Mr. Macdonald: Is it not going to a committee?

Hon. Mr. Martin: Whatever you wish.

Hon. Mr. Macdonald: I believe it should go to committee. After 25 years I do not think there is any great rush to get it through tomorrow.

Hon. Mr. Martin: I think there is a rush, but not that much of a rush.

On motion of Hon. Miss Lapointe, bill referred to the Standing Senate Committee on Transport and Communications.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

On the Order:

> Resuming the debate on the motion of the Honourable Senator Everett, seconded by the Honourable Senator Paterson, for the adoption of the Report of the Standing Senate Committee on National Finance which was authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1974.—(Honourable Senator Flynn, P.C.).

Hon. Allister Grosart: Honourable senators—

The Hon. the Speaker: Honourable senators, is it agreed that Senator Grosart be allowed to proceed in place of Senator Flynn?

Hon. Senators: Agreed.

Hon. Mr. Grosart: Honourable senators, the report of the Standing Senate Committee on National Finance, which is before us at this time, is the usual prelude to consideration of the first appropriation bill for the current year, which will come to us in due course. The committee has reported to the Senate in the report before us on a general overview of the bottom line of the projected government expenditures for the current year up to March 31, 1974. In addition, it has embarked on the first of what the report calls "a series of detailed examinations of selected programs or departmental expenditures."

The first estimates selected for this very detailed examination are those of Information Canada. I would like to make some comments on that, but it is perhaps proper that I should restrain my comments at this time, for several reasons. One, of course, is that the chairman of the committee has undertaken to provide the Senate with a supplementary report that will deal with its inquiry into Information Canada. Secondly, and perhaps more impor-

tant, is the fact that tonight in the other place the budget of Information Canada will be the subject of what is now known as a notice of opposition, in which opposition parties will raise the question of the desirability of Information Canada being provided with an appropriation of any kind.

Whatever the outcome of that debate and vote in the other place may be, it would certainly seem to indicate the advisability of the Standing Senate Committee on National Finance having decided some weeks, perhaps some months ago, to make a detailed investigation of Information Canada. From the point of view of the estimates, what stands out is the fact that Information Canada was constituted by a vote in supplementary estimates. Perhaps some of the problems of Information Canada may well stem from that extraordinary and very undesirable method of setting up a government agency.

● (2130)

In fact, the National Finance Committee has in earlier cases deprecated this type of use of supplementary estimates. I presume that when the committee reports on Information Canada, it will have something to say about this extraordinary method of setting up an agency of the government. One would clearly expect that it would be set up under an act of Parliament which would clearly define the objectives and the powers of such an agency.

I might also wish to comment on the fact that the agency was set up with very limited powers. It was not set up as an independent agency, but under a minister through whom the agency reports to Parliament, with something very much less than the kind of independence that another major information agency has, namely, the CBC. However, no doubt these matters will be the subject of the report of the committee, which is now being drafted and I presume will be presented to the Senate before the recess, whenever that may be.

The overall figures in the current estimates, the blue book which is the basis of the report of the committee, are once again a distressing example of the galloping nature of federal government expenditures.

As they appear in the report, the current budgetary main estimates are $18.3 billion, or perhaps $18.4 billion, compared with $15.7 billion in the main estimates a year ago, and compared with $16.5 billion in the main estimates plus the supplementaries of a year ago. Whichever way you look at it, we have an increase in federal government expenditures this year of 11.1 per cent if we take the main estimates as they are before us compared with the estimated expenditures for the year; or, if we assume that there will be supplementaries, we are obviously faced with an increase in federal government expenditures this year of some 16 per cent.

The National Finance Committee, in its wisdom, over the years has recommended that in no case, in no year, should the increase in federal government expenditures exceed the increase in the gross national product. This would seem to be an essential part of ordinary wisdom, for the golden goose is obviously the gross national product, and if you keep on plucking it there will be no golden eggs laid to meet the expectations and demands of the Canadian public. Yet we are faced once again with a galloping increase, which is the largest single increase in any year in peacetime in the history of this country—an increase, taken in the terms I have indicated, of some 16 per cent.

To indicate what has been going on, and the nature of what I call a galloping increase, perhaps I could put on the record what has happened in the last ten years. Ten years ago, in 1963-64, total government expenditures were $6.8 billion, and in the following years they were $7.2 billion, $7.7 billion, $8.7 billion, $9.8 billion, $10.7 billion, $11.7 billion, $11.9 billion, $13.1 billion, $14.8 billion, and, in 1972-73, $16.1 billion. This year the budgetary estimates amount to $18.3 or $18.4 billion.

Of course, it is fair to say that the population has increased, and also that we are not talking about exactly the same dollars, as these figures are in current dollars. But even making those reservations we are faced with the situation where the federal government has increased its expenditures year by year at a rate which can only be called galloping.

We should examine these figures and ask ourselves: What is the end result; can this keep on going year after year? I am not going to argue that now, but there was considerable wisdom in the stand taken by the National Finance Committee, that the increase in federal government expenditures in any one year, unless there were extraordinary emergencies, should not exceed the increase in the gross national product. That increase, in the last year for which we have exact figures, is about 10.1 per cent in current dollars.

Honourable senators, I suggest that the situation cannot continue, that we cannot continue having an increase of 16 per cent in federal government expenditures against a gross national product increase of something like 10 per cent.

That figure of $18.3 billion, which appears in the report of the committee, relates only to budgetary expenditures. It is in total magnitude a low figure, because if we are to get a true figure of the pay-out, the out-go of federal government expenditure—and that refers to the total amounts that must be raised by taxation, which is something like 89 per cent of the total revenue—we must then consider this basic fact, that the actual figure of the output, the requirement, the demand by the federal government on the tax base, this year is actually about $19.2 billion, because I add to the budgetary figure the amount of $893 million, which does not appear in the report of the committee but which is nevertheless to be found in the blue book, and which represents what are called loans, investments and advances.

It may be said that loans, investments and advances are all recoverable, and that therefore I should not use this figure of $19.2 billion. But when I look at the review of government expenditures, I find that these loans, investments and advances are not all what they appear to be on the surface. They are not all recoverable loans. For example, the general review of government accounts, if I read it correctly, shows that some $95 million of these are classed as "inactive." This word is used in the official review. I say it is an ominous word. When you start to say that loans are inactive, any banker will tell you that you are in a very dangerous situation.

Hon. Mr. Martin: I wish I had an inactive one.

Hon. Mr. Grosart: I do not know the exact financial position of the Leader of the Government.

Hon. Mr. Martin: It is not bad, but that would do.

Hon. Mr. Grosart: I am quite sure that if the leader has the same banker as I have, he knows he is not prepared to carry on inactive loans for very long.

Hon. Mr. Martin: That is right.

Hon. Mr. Grosart: To go beyond that, some of these loans in the amount of $175 million are officially described as those for which recovery is "likely to require parliamentary appropriation"—and that surely is one of the biggest jokes in the blue book and public accounts. They are "likely to require parliamentary appropriation." As I understand the language, from my reading of the public accounts, this really means that those are loans that we cannot recover, and we will have to ask Parliament to agree to an appropriation which will cover these deadbeat loans. This is probably the general situation. That is another $175 million.

● (2140)

At the present time the total outstanding of these loans, investments and advances, so-called—many of which under any acceptable principle of accounting could not be called loans, investments or advances—is something like $15 billion. This is broken down into domestic loans, so-called, which are $13.7 billion, and external loans, which are $1.8 billion.

Domestic loans are to crown corporations, provinces, and municipalities; there are some VLA loans, some loans to private businesses and some to private individuals. External loans are, of course, mostly to national governments and international organizations.

What I am going to suggest tonight is that this would be an excellent subject for the Standing Senate Committee on National Finance to take under inquiry. Under Senator Everett, the committee has decided that it will make a much more detailed examination of the estimates in future than it has done in the past. We have started with Information Canada. Another area where the National Finance Committee might do an excellent service to Canada and to Parliament would be an inquiry into these loans—inquiring into the arrears, the interest and principal, the rates of the loans, and the obvious irrecoverables which must be there. It would be interesting to find out who is not paying up and why not. This is all information which does not appear in the blue book or clearly in the public accounts. I suggest it would be an excellent subject for the committee.

The same might apply to the public debt. It may be of interest to honourable senators to know that the demand on the consolidated revenue fund this year for the financing of the public debt is the second highest demand of the official categories of expenditures. It is something like 14 per cent of the total of this year's forecasted expenditures of $18.2 billion—or $19.2 billion, whichever you like to take.

It is fair to say, of course, that in the last year there has been some improvement, but over the years here is what has happened to the public debt of Canada. I will start with 1964 and give it to you year by year. In 1964 the deficit was $619 million. In 1965 it was $38 million. In 1966 it was $39 million. In 1967 it was $421 million. In 1968 it was $794 million. The next year it was $576 million. I would point out that 1970 was a remarkable year in which we had a surplus of $392 million, but in 1971 we went back to a deficit of $379 million. In 1972 we had a deficit of $614 million and in 1973, based on the preliminary figures, there is a forecast of a surplus of $445 million.

I again suggest that this is the kind of inquiry that the Standing Senate Committee on National Finance might undertake. It would be interesting to find out how this total debt is funded and what the interest rates are. It is true that most of the money is owed to Canadians but, although I have made inquiries, I have not seen a complete statement of the status of our national debt, item by item, which I am sure is something that the Standing Senate Committee on National Finance could usefully inform the Senate about. Admittedly, it is true that the 14 per cent is less than it was ten years ago when it was probably 15 per cent, a fact which might give some satisfaction to our financial managers except that the mere percentages do not mean much. So long as you are able to tax and keep on taxing and you are rising from $6 billion to $18 billion in expenditures in a period of ten years, the percentage cost of financing the public debt is obviously going to decline so that the percentages do not really mean that much. I suppose we might be happy that it is not increasing as a percentage of the expenditures for the current year, but nevertheless we cannot take too much comfort in the fact that it is not a much higher percentage of $18 billion than it was of $6 billion ten years ago.

Honourable senators might be interested in the breakdown of expenditures this year. I have already mentioned that the cost of financing the public debt was the second highest category at 14 per cent. The highest category was health and welfare at 27.8 per cent. The third highest category was economic development and support at 13.2 per cent. The next highest was defence at 11.6 per cent, then fiscal transfer payments at 7.9 per cent, transport and communications at 7.7 per cent, general government services at 5.2 per cent, internal overhead at 4.4 per cent, educational assistance at 3.4 per cent, culture and recreation at 2.5 per cent, and foreign affairs at 2.3 per cent.

In mentioning the figure on educational assistance, 3.4 per cent, I recall that some time ago I asked the Leader of the Government if he could obtain for us the total expenditure by the federal government on education. He demurred, as I recall, on constitutional grounds. He did not like the word "education." He did not like my suggestion that the federal government was spending money on education, because he is a constitutional purist who, I think, takes the position that education is a matter delegated solely to the provincial legislatures under section 92 of the British North America Act.

I can now tell him—and I do not know whether he will take any comfort from it or whether it will bother him—that in the blue book educational assistance is now fully recognized as a federal expenditure to the extent of some $620 million. The actual phrase, on page 150 of the blue book, I think, is "educational assistance."

Honourable senators, the report of the committee is before the Senate. I have nothing more to say at this time, although when the first appropriation bill comes before us

some further comment may be in order at that time. In the meantime I think it is enough to say that I recommend to the Senate the adoption of the report of the committee and offer my congratulations to the chairman and his colleagues on the committee for, as usual, a very excellent report on which the Senate can quite properly make whatever decisions it finds desirable on the appropriation bill when it comes to us.

Report adopted.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, June 27, 1973

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

Prayers.

APPROPRIATION BILL No. 4, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-204, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

Bill read first time.

SECOND READING

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

Hon. Leopold Langlois: With leave of the Senate and notwithstanding rule 44(1)(f), I move second reading now.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding rule 44(1)(f), it is moved by Honourable Senator Langlois, seconded by Honourable Senator Martin that this bill be read the second time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Langlois: Honourable senators, on March 29 last, approval was given for the first interim supply bill for the fiscal year 1973-74. That bill, which was Appropriation Act No. 3, 1973, was based on the 1973-74 estimates, and provided for the expenditures for the months of April, May and June, plus 18 additional proportions in the total amount of $2,722,427,083.92. These estimates were tabled in the Senate on February 1, 1973. At this stage I should add that, as honourable senators will no doubt recall, Appropriation Act No. 1 and Appropriation Act No. 2 covered supplementary estimates (A) and (B) respectively, based on the estimates for 1972-73. The estimates on which the present bill was based were referred to the Standing Senate Committee on National Finance on February 1, 1973. These estimates were discussed in committee with Treasury Board officials on June 3 last. The 1973-74 estimates total $19,286,514,765, consisting of budgetary expenditures of $18,393,120,765 and of loans, investments and advances in the amount of $893,394,000. The bill now before us provides for full supply for the balance of the 1973-74 main estimates, with the exception of a reduction of $1,000 in vote 50 of the Secretary of State. This bill is in the same form as bills produced in the past and no additional borrowing authority is requested.

I would now like to refer to the remarks made last night by my honourable friend Senator Grosart when he drew a comparison between the growth in the gross national product and the increase in government expenditures. In this he was reflecting on the contents of the report of the National Finance Committee, tabled in this house last week. It was explained in that report that the difference between the main estimates for 1973-74, of $18,393 million and the main estimates for 1972-73, of $15,749 million, was $2,644 million, an increase from the previous year of 16.8 per cent. The difference between the main estimates of 1973-74 of $18,393 million and a final authorization for the 1972-73 fiscal year of a total amount of $16,514 million is $1,845 million or an increase from the previous year of 11 per cent.

It is to be noted that these figures are not strictly comparable, as the main estimates of 1973-74 would likely be followed by supplementary estimates and thus increased for the current fiscal year.

It is worth noting the reasons for this difference between 1972-73 and 1973-74 government expenditures. In comparing the two, one finds that the major increases consist of the following items: first, an increase in statutory items which, as honourable senators know, are incompressible unless current legislation is changed by Parliament. These increases in statutory items are as follows: unemployment insurance commission, $890 million; public debt program, $263 million; fiscal transfer payment program, $190 million; hospital insurance contributions, $114 million; payments to rail and transportation companies, $92 million; Canada assistance plan payments, $84 million; medical care contributions, $52 million; for a total of $1,685 million.

Let us now have a look at the other major increases which are in the form of voted items. First we have defence services, $246 million; accommodation programs, $88 million; post office, $85 million; development and utilization of manpower programs, $71 million; international development program, $41 million; Indian and Eskimo Affairs Program, $39 million; Canadian International Development Agency, $37 million; for a total of increases in voted items of $607 million.

These figures are worth noting by anyone comparing these increases in government expenditures together with the growth of the gross national product. In this respect I have before me a table. I do not like to take up the time of the Senate to read it. It is a table of government expenditures at all levels of government as a percentage of GNP for the years 1961 and 1971.

The source of my information is National Income and Expenditures Accounts. With leave of the Senate I should like to table this document. But before doing so, I should like to draw the attention of honourable senators to the following figures. If they will look at the item federal government, total current expenditures, plus gross capital formation, less transfer to other levels, they will arrive at a net federal expenditure for the year 1961 of

$6,061 million. For the year 1971 this figure is $13,136 million.

When honourable senators compare these figures with the gross national product, they will arrive at 15.3 per cent for 1961 and 14.1 per cent for 1971, which represents a decrease as compared with the gross national product.

If honourable senators take the expenditures of provincial governments, including the same items as those comprising the total expenditures of the federal government, which I have just given, they will arrive at a percentage of 6.1 per cent in 1961, representing the percentage of the gross national product of expenditures for provincial governments, as compared with a percentage figure of 10.9 per cent for 1971. That is an increase of close to 4 per cent.

● (1410)

If you take expenditures by local governments, with the same ingredients as are in previous total expenditures quoted, you arrive at a net expenditure for the year 1961 of $2.984 billion, as compared to a net expenditure in 1971 of $8.977 billion. The expenditure in 1961 represented 7.5 per cent of the gross national product as compared to 9.6 per cent for 1971. Again, an increase of a little over 2 per cent.

Looking at the total expenditure for goods and services in hospitals, including gross capital formation, the total expenditures for hospitals in 1961 were $856 million as compared to a total expenditure in 1971 of $2.707 billion. Relating those amounts to the gross national product, the total expenditure for 1961 represents 2.2 per cent as compared to 2.9 per cent for 1971.

Honourable senators must take into account, when considering the relationship of total government expenditures to the gross national product, that these increases are not unique to Canada. In a previous debate on an appropriation bill I presented a table to the house which, as I recall, formed part of the *Debates of the Senate* of that date. I believe that was last year when I introduced a similar supply bill. The figures in that table were taken from a report on national accounts of OECD countries and were for the year 1968. I do not intend to repeat those figures, but on that occasion I underlined the fact that out of seven countries, including the United States, Japan, France, Germany, Sweden and the United Kingdom, Canada was the third lowest in terms of total government expenditures in comparison to its gross national product. The total expenditure on the part of all governments in Canada, as a percentage of the gross national product, was 29.7 per cent. As I say, these are 1968 figures. The total expenditures on the part of the Government of the United States, as a percentage of the gross national product, was 28.9 per cent. Japan was the lowest at 14.4 per cent; France, 34.5 per cent; Germany, 32.6 per cent; Sweden, 37.4 per cent, and the United Kingdom, 33.7 per cent.

Again, I suggest that these figures are worth remembering and taking into account when making comparisons between the total government expenditures in relation to our gross national product.

With that I conclude my remarks. I will remain at the disposal of honourable senators to furnish any additional information they may wish or to answer their questions to the best of my ability.

[Hon. Mr. Langlois.]

Hon. Allister Grosart: Honourable senators, I do not intend to take up much time of the Senate in discussing the bill before us. I made my remarks in general on the estimates last night in speaking on the report of the National Finance Committee. However, Senator Langlois has made some comments on my remarks. I appreciate the attention he has given to them and the very valiant attempt he has made to indicate that the situation may not be quite as bad in respect of galloping federal expenditures as I made it out to be last night. I cannot resist commenting on the three main categories in which he finds some comfort in the figures. He says, first of all, of course, that there is a difference between what he called the "statutory items" and the "vote items."

My first comment on that would have to be that they are both voted items. They happen to be voted at different times, but I personally place no stock on this argument that a distinction must be made between statutory expenditures and so-called voted expenditures, those for which new authority is required. It does not make a bit of difference whether these expenditures are under existing statutes or under new demands on the economy. If there is a relationship, surely if the expenses under the statutory section, which is about half the total budget, are going up, that is the best reason in the world for the government to restrain itself in additional expenditures that are not caused by existing statutes.

Senator Langlois also spoke about the difference the total figures would present if transfers to other levels of government were taken out. This, of course, is true. It is perfectly true that a very substantial part, probably $5 billion in the total estimates, is represented by transfers to other levels of government, particularly the provinces, but also under certain acts to municipalities. Surely this is no excuse whatsoever for saying, "We could not help this budget going up." The fact of the matter is that every single expenditure in the estimates is a transfer—a transfer to a province, to a municipality, or to somebody living there. The federal government says, "We are raising this money under our power of taxation, and what we do with it is another matter. We may transfer some of it directly to something provincial; we may transfer some of it to an individual under various parts of our social legislation." I suggest, however, there is no validity in the argument that these very high expenditures, the highest increases in our peacetime history, are justified by the fact that some of it is transferred under existing or new statutes to the provinces.

The third point was that of national comparisons. All the figures Senator Langlois gave, which were excellent, did not register with me arithmetically item by item, but I think I got the general thrust of his remarks, which was that we are not so bad compared with other countries. I would suggest to him that such comparisons are not as valid as they appear to be on the surface. When we start to compare nation to nation we very often forget that we are a federal country and other countries are not.

It is absolutely essential to take into consideration the level of all government taxation in Canada. At the present time, federal government, provincial government and municipal government expenditures are about 40 per cent of the GNP. The tax take out of the GNP is 40 per cent of

the whole. One is entitled to wonder how long that can go on, because obviously that tax take has to be from revenues created, generally speaking, by the private sector, and the projection is that we may move fairly close to 50 per cent in the years ahead. We are, of course, up against the old goose and the golden egg argument.

How much can you take out of the GNP and still leave the GNP operative to provide money necessary to meet the demands and expectations of the Canadian public? I am not one who argues at this moment that those expectations or demands are too high. We are faced with them. In my estimation, this does not negative the very real warning that must be given that it cannot go on for ever without killing the goose that lays the golden eggs. That was the thrust of my argument last night, and I repeat it today, while thanking Senator Langlois for the very interesting figures he has put on the record, acknowledging his responsibility to do so, admiring the zeal with which he comes to the defence of these very high expenditures, but nevertheless begging leave to disagree with some of his conclusions.

● (1420)

Hon. Jacques Flynn: Honourable senators, I rise to take exception to the wording of this bill. I do so for the same reasons as I objected to Appropriation Bill No. 1 when it was considered by this house last February 22. My remarks can be found on page 302 of *Hansard* of the present session.

I have an additional argument to bring forward. I direct the attention of the house to the wording of the main section of this bill. It reads:

> From and out of the Consolidated Revenue Fund, there may be paid and applied a sum not exceeding in the whole seven billion, three hundred and eighty three million, nine hundred and eighty five thousand, eight hundred and eighty five dollars and eight cents towards defraying the several charges and expenses of the public service, from the 1st day of April, 1973 to the 31st day of March, 1974, not otherwise provided for, and being the total of the amounts of the items set forth in the Main Estimates as contained in the schedule to this Act, less the amounts voted on account of the said items by Appropriation Act No. 3, 1973.

There is nothing in the other sections of the bill which would alter the meaning of this section. It states flatly that the amount provided in the main estimates is the amount that has to be spent until 31st March, 1974, that is, for the current fiscal year.

Honourable senators, you will find in the main estimates at least 17 items that provide for estimates which could be spent during subsequent fiscal years, not only before March 31, 1974, but later than that. So, there is a direct contradiction between the main estimates and the provisions of this bill. It was this point that I raised on Appropriation Bill No. 1. I drew the attention of the Senate to the fact that we were providing in that appropriation bill $350 million for winter works, whereas we had been told by the President of the Treasury Board that for that fiscal year—that is, the fiscal year which ended on March 31, 1973,—at most $75 million was required. At that time we asked for an opinion from the Justice Department and we got it. It was printed as an appendix to our *Hansard* on April 12, 1973, at page 523.

The substance of the opinion obtained from the Department of Justice was, first, that it was a long standing practice to have bills presented in this way, and that the main operating provision of the bill, like the one which I have just read, should be considered as amended by the schedule of the bill if such schedule provided for the expenditures made after the current fiscal year or the year mentioned in the main provision of the bill. I do not think it is a very strong argument. Rather, I think it is a very weak argument. It should have been corrected, and the Department of Justice should have provided that the usual form of the bill be changed in order to clarify the position so that when an estimate provides for amounts to be spent after the current fiscal year it is permissible and is to be taken as an exception to the main provision of the bill.

Another point was raised in the other place, and I think it should be put on the record of this house. A fault appears in the drafting of this bill when you take into consideration section 54 of the British North America Act and the resolution which is introduced in the other place with the main estimates. Section 54 of the British North America Act reads:

> It shall not be lawful for the House of Commons to adopt or pass any Vote, Resolution, Address, or Bill for the Appropriation of any Part of the Public Revenue, or of any Tax or Impost, to any Purpose that has not been first recommended to that House by Message of the Governor General in the Session in which such Vote, Resolution, Address, or Bill is proposed.

The main estimates were produced by a resolution in order to meet the requirements of the said section 54 of the BNA Act. The resolution, which I take from page 127 of the *Votes and Proceedings* of the other place for February 20, 1973, reads as follows:

> His Excellency the Governor General transmits to the House of Commons the Estimates of sums required for the service of Canada for the year ending on the 31st March, 1974, and, in accordance with the provisions of "The British North America Act, 1867" the Governor General recommends these Estimates to the House of Commons.

So the resolution covers only expenditures for the year terminating March 31, 1974. Therefore, if in the estimates there are expenditures to be made after that date, the resolution does not cover that part of the estimates. The bill, consequently, so far as those items which are applicable to subsequent fiscal years are concerned, is not covered by the resolution and those items are illegally presented to the House of Commons. Furthermore, I do not understand the obstinacy of the Department of Justice, or whoever drafts these bills, in continuing a practice which is wrong. Why have they not corrected this situation? Simply because the practice has been followed over a number of years does not make it legal or regular. If in the main estimates there are amounts to be spent after the current fiscal year, then there should be some wording to the effect that it will be "for the year ending 31st March following and in some cases during the following fiscal years;" and the bill itself should also contain a provision to cover those things.

To me Parliament is acting illegally in providing appropriations of money for subsequent fiscal years with a resolution of that kind and with a bill drafted in this way. It is totally irregular, and, although there is little we can do, I am quite sure that if someone were to take action a court would decide that it is improper.

Surely, the Department of Justice should recognize that in following the practice of years gone by it has adopted an illegal or improper practice. In drawing this to the attention of the Senate, I do so in the belief that it is my responsibility to draw it not only to the attention of the Senate but to the attention of the government. I think something should be done to rectify such a situation. We are invited by this bill to do something which is irregular and improper since the amounts contained in the estimates refer to years or a period following March 31, 1974. The items which have been mentioned are not peanuts; they amount to over $2 billion in many instances. What is the consequence of this? It falsifies and gives a wrong picture of the amounts which we are being called upon to approve and to appropriate. I cannot see what the government is gaining by this. We had an argument just a few minutes ago as to the increase in the estimates for 1973-74 as compared to those for 1972-73. If there is a false figure as to the amounts which are to be spent during the current fiscal year, and if this amount is increased by appropriations for the subsequent fiscal year, the government is not gaining anything as far as public opinion is concerned. It is merely saying that it is going to spend more than it really intends to spend, and it seems to me that this practice should be reviewed and corrected.

● (1430)

Hon. Senators: Hear, hear.

Hon. Leopold Langlois: Honourable senators—

The Hon. the Speaker: Honourable senators, I wish to inform the Senate that if 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, before I comment on the addresses made by Senator Grosart and Senator Flynn, I should again like to ask leave to have the two tables I referred to earlier in my main address printed as appendixes to today's proceedings. I refer to the documents entitled, "Government Expenditures (All Levels) as a Per Cent of GNP—1961 and 1971" and "National Accounts of Selected OECD Countries—1968."

Hon. Mr. Phillips: Who prepared the tables?

Hon. Mr. Langlois: I thought I had given this information. The source of information for the first document is Statistics Canada, National Income and Expenditure Accounts, and the source for the second document is OECD, National Accounts of OECD Countries, 1950-1968.

The Hon. the Speaker: Honourable senators, is it agreed that these tables be printed as appendixes to the *Debates of the Senate* of this day?

Hon. Senators: Agreed.

(For tables see appendixes "A" and "B", pp. 793-794.)

Hon. Mr. Langlois: Honourable senators, referring to the remarks made by my good friend Senator Grosart [Hon. Mr. Flynn.] when commenting on my remarks on the comparison between the growth in the gross national product and the increase in total expenditures, I must remind him that my only comment was that the statutory items were incompressible unless Parliament—not the government—changes the existing legislation. This is the only comment I made. In no way did I criticize what he said on the subject last night, except in giving some figures which throw a different light on the whole subject. When he referred to my figures from the OECD tables, he added the comment that Canada did not look so bad. It looks much better than that. Except for Japan, Canada, of all the countries mentioned, has the lowest expenditures in comparison with its gross national product—and these figures include all levels of government. Senator Grosart made reference to the fact that Canada, being a federal country, might not have all its expenditures included. But the figures which I gave take into account government expenditures at all levels.

Coming to the remarks made by my friend Senator Flynn, it is clear that he has raised a fine legal point, and I said this was the case when he raised that point earlier this year both in the house and in committee. It is a debatable point, and I myself am not quite satisfied with the opinion we received from the Department of Justice. It is a question that is open to debate, and, like him, I wish that further thought were given to the subject matter. It is worth giving further consideration to this point, and I would welcome any possible solution to the situation.

Motion agreed to and bill read second time.

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

Hon. Mr. Langlois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BANKING, TRADE AND COMMERCE

COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

Hon. Leopold Langlois moved, with leave of the Senate and notwithstanding rule 45(1)(a):

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting today, and tomorrow, Thursday, June 28, 1973, and that rule 76(4) be suspended in relation thereto.

He said: Honourable senators, before the motion is put, I should like to add a word of explanation. I am informed that the situation was explained to the honourable the Leader of the Opposition by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce. There is a meeting of the committee scheduled for 4 o'clock this afternoon to consider Bill S-9, concerning national parks, when the minister is expected to be in attendance. This motion is being made in case the Senate has not completed its sitting by that hour.

● (1440)

As for tomorrow, the explanation is that Mr. Cohen of the Department of Finance is busy in the other place with

the committee considering tax resolutions and will not be available to appear before our committee until 2.15 in the afternoon.

These are the two reasons for this motion being made at this time.

Motion agreed to.

TRANSPORT AND COMMUNICATIONS

NOTICE OF COMMITTEE MEETING

Hon. Mr. Bourget: Honourable senators, before the Orders of the Day are called may I be permitted to inform members of the Standing Senate Committee on Transport and Communications that when the Senate rises this afternoon the committee will meet to consider Bill S-9, the Aircraft Registry bill.

THE CONSTITUTION

FEDERAL DISALLOWANCE OF PROVINCIAL STATUTES—DEBATE ADJOURNED

Hon. George van Roggen rose pursuant to notice:

That he will call the attention of the Senate to an urgent Constitutional matter.

He said: Honourable senators, last week I gave notice that I would today bring to the attention of the Senate an urgent constitutional matter. I do that now by drawing the attention of honourable senators to Bill 103 introduced by the provincial government in the last session of the British Columbia Legislature. The bill was given third reading on April 18, 1973. In particular I draw to the attention of honourable senators clause 14 of the bill.

I might say that this bill relates to the Pacific National Exhibition, which is the Vancouver equivalent of the Canadian National Exhibition held in Toronto. The bill deals with the appointment of the directors and the operation of the Pacific National Exhibition. On third reading of this bill, however, at the last moment, clause 14 was brought in by the government as an amendment, reading as follows:

> Any lease or other agreement entered into under or pursuant to the Act repealed by this Act is, unless it expires before the thirty-first day of December, 1975, void and unenforceable unless and until the lease or agreement is approved and ratified, or any amendments thereto are approved and ratified, by the board.

In effect, the clause simply voids all contracts and agreements entered into legally by the previous board operating under the previous act, without any recourse or compensation of any nature to the parties to those contracts or leases.

Senator Lawson, who is not present in the chamber today, spoke in Vancouver recently and was quoted in the Vancouver *Province* of June 11, 1973. You can see the extent of the front page of the newspaper, where it says: "Teamsters Threaten to Void Contracts," with a picture of Senator Lawson. I will read excerpts from this article:

> Senator Ed Lawson, B.C. president of the Teamsters Union, threatened Saturday that his union may declare its collective agreements void in mid-term since the same principle is contained in the provincial government's new Pacific National Exhibition Act.
>
> Lawson said the new PNE act, a clause of which says contracts with the PNE lasting past December 31, 1975, will have to be renegotiated, destroys the sanctity of contract in B.C.
>
> If the clause is proclaimed by the government, making it law, he will recommend the Teamsters either withdraw all support from the government or "adopt the (same) philosophy," he said.
>
> If the Teamsters were to adopt the philosophy, he said, they could declare a three-year contract void in the second year and demand greater benefits. The only justification he has heard from the government for the PNE Act is to the same end, he said—"more revenue."

The article continues:

> The Teamsters rejected in 1965 calls by organized labour for a general strike, and still will have no part in wildcat strikes, because the union believes in the sanctity of contract, he said.
>
> "But how in the name of heaven can you say to the men 'You must go back to work' when they can say we have a policy in this province of voiding contracts for more revenue," he said. "... I don't think the government or the minister are aware of the seriousness of what they're doing."

Later, the article goes on:

> In the panel discussion, King—

The Minister of Labour in British Columbia.

> —told Lawson to look back on some of the expropriation deals the former Social Credit government made, such as the B.C. Electric take-over, which he said also violated sanctity of contract.
>
> Lawson responded in the interview that the new government is "no less despicable" for doing what amounts to the same thing.

I might say, honourable senators, that that news item was followed by a very complimentary editorial in the Vancouver *Sun* on June 12, 1973, headed "Mr. Lawson said it all and said it well." I shall not take the time to read the editorial. It was followed by a further editorial in the Vancouver *Province*.

The purpose of my remarks today is to develop my reasoning as to why it is not only the legal right, but also the solemn duty, of the federal government to disallow legislation such as this pursuant to the provisions of sections 55, 56, 57 and 90 of the British North America Act. If I may summarize the pertinent provisions of the BNA Act and—

Hon. Mr. Martin: Just so that I can follow, what is the date of the act?

Hon. Mr. van Roggen: The provincial act I refer to passed third reading on April 18, 1973. I might say that this act has not yet been presented to the Lieutenant-Governor of British Columbia for royal assent.

Hon. Mr. Martin: Then it is not law now. Is that what we are to understand?

Hon. Mr. van Roggen: One of the provisions of the BNA Act is that the Governor in Council may instruct the Lieutenant-Governor of a province to withhold his assent on the bill being presented for royal assent. I hope you would not argue that I must wait until the horse has left the barn before I raise the matter.

Hon. Mr. Martin: I wish to understand clearly what the senator is proposing. Is he asking that the government should disallow the measure?

Hon. Mr. van Roggen: Yes.

Hon. Mr. Martin: He is not suggesting what the government should recommend to the Lieutenant-Governor?

Hon. Mr. Asselin: The law is not yet in force.

Hon. Mr. van Roggen: I am advocating today that the federal government, through the medium of the Governor in Council, which is the federal Cabinet, disallow this provincial legislation. Three mechanisms exist which might be used for this. The Lieutenant-Governor can withhold assent, which is uncommon, or he could reserve assent for the Governor General, following which ensues one year's period during which final decision can be made by the federal government. In fact, I was about to read from a resumé which describes how this procedure works. It is as follows:

> Under the powers conferred upon him by Section 90 of the B.N.A. Act, a Lieutenant-Governor may do one of three things with a bill which has passed through all its stages in the legislature and is presented to him for royal assent: he may signify that he assents to the bill in the Queen's name whereupon it becomes an Act of the legislature; he may withhold his assent; or he may reserve the bill so that it may be considered by the Governor General. The first of these three courses is the normal one, and requires no comment. The second is a simple veto; the bill is dead and can be revived only by introducing it again into the legislature, passing it through all its stages, and presenting it again for assent at a subsequent session of the legislature. The third is not a withholding of an assent (that is, there is no veto), but the decision as to whether assent will be given or withheld is passed back to the Governor General, acting on the advice of his ministers is Ottawa.

● (1450)

> In such a case the reserved bill has no force unless and until, within one year from the day it was presented to the Lieutenant-Governor for the royal assent, it receives the assent of the Governor General in Council.
>
> It should be noted that the Governor in Council is not obliged to do anything at all. If no action is taken during the year then the bill has been effectively vetoed.
>
> In addition to this power the Governor in Council may disallow any provincial Act within one year after its receipt at Ottawa.
>
> Some seventy bills have been reserved by Lieutenant-Governors since Confederation, of which thirteen have been assented to by the Governor General.

Of course, the majority of those bills were reserved prior to the turn of the century, but a number of them have been dealt with since then.

I do not wish to take the time of honourable senators with a long and technical legal discussion as to whether or not this power exists. Suffice it to say that at the time of the disallowance of the Alberta legislation of Premier Aberhart, including the Press Gag Law, in 1937, the federal government referred the whole matter to the Supreme Court of Canada by way of reference. I give just one or two excerpts of remarks made by supreme court justices at that time as to the power of the federal government in the BNA Act, and as to whether or not that power exists today. Mr. Justice Kerwin concludes:

> —these words are so clear that comment or elaboration would appear to be superfluous.

In the opinion of Mr. Justice Cannon section 7 of the Statute of Westminster "gives new force, if necessary, to the existing provisions of the British North America Act and preserves them."

It was also recalled that the power of disallowance by the Governor General has been recognized in at least two judgments of the Privy Council.

Is there any restriction on this power? Here again I quote from a former Chief Justice of Canada:

> There is nothing in the British North America Act controlling this discretion; nor is there any other statute having any relevancy to the matter.
>
> The power of reservation is subject to no limitation or restriction, except in so far as his discretion in exercising it may be controlled or regulated by the Instructions of the Governor General—

There is one remaining thing and that is, while reference is made to the "Governor General" it is settled law that it is the Governor General in Council—that is, the Cabinet—that has this power. Mr. Justice Taschereau affirmed that:

> —power of veto is given to the Governor General in Council, not to the Governor General himself.

I should now like to make a few general observations. The first is that in a majority of instances of disallowance to date, the question was as to whether or not a province had exceeded its jurisdiction. That was the simple question at issue, namely, a question of *ultra vires*. On the other hand only a minority of instances of disallowance involved legislation which was within the power of the provinces under section 92 of the BNA Act but which was reserved by the federal government because it was oppressive, against natural justice, or otherwise against public policy. While cases in this category are in the minority, they still do exist. Senator Forsey, who is probably Canada's greatest authority on this subject—with the possible exception of Senator Goldenberg—will correct me if I am wrong in that.

Some say that this power of disallowance should be used by the federal government only when a province has clearly attempted to legislate in an area which is not within its power and that the power should not be used in an area clearly within provincial jurisdiction such as property and civil rights.

I hold entirely the opposite view. In my view, the federal government does not need to rely upon this power of disallowance where a province legislates in matters beyond its jurisdiction, because the Supreme Court of Canada is quite competent to rule on such legislation, and has full power to strike it down if it is *ultra vires* the province.

It is my view rather that the federal government should use this power of disallowance where a province acting within its jurisdiction passes legislation that is not *ultra vires*, but which nevertheless denies to the individual citizen natural justice and due process.

I hope to persuade honourable senators this afternoon that if the federal government refuses to discharge this clear duty imposed upon it by the BNA Act, as this and previous governments have so refused in recent years, we now live in Canada not under the rule of law but under the rule of men. For it is my judgment, honourable senators, that the Fathers of Confederation looked upon this provision for disallowance as providing that safeguard for the rights of the individual which is to be found in the due process clause of the American Constitution and which is inherent in Magna Carta, the Bill of Rights, Habeas Corpus, and the Act of Settlement under which the citizen of England finds his protection.

If Canadian federal governments will not exercise their duty in this respect, then an intolerable void will have been created in the Canadian Constitution, and immediate action should be taken to enshrine a "due process" provision in the Canadian Constitution. And I stress again that until such action is taken it is incumbent upon the federal government to perform its duty in this area.

Our present Prime Minister, I believe, takes the same position, for he suggests considering the abolution of the power of reservation and disallowance only after having introduced a Bill of Rights into the Canadian Constitution. In *Federalism and the French Canadians* at page 48, sub-paragraph (b), he states:

> The protection of basic rights having thus been insured [by the introduction of a Bill of Rights] there would be no danger in reducing the Central Government's predominance in certain areas (for example by abolishing the right of reservation and disallowance)—

But he pointed out that this should only be done after there has been enshrined in our Constitution a due process clause.

Hon. Mr. Goldenberg: Would the honourable senator allow a question?

Hon. Mr. van Roggen: Yes.

Hon. Mr. Goldenberg: The senator made reference to a "due process clause" in the Bill of Rights, corresponding to that in the Constitution of the United States. If he will allow me to correct him—I had something to do with drafting that document—there was nothing like the due process clause in the United States Constitution in the proposed Bill of Rights.

Hon. Mr. van Roggen: Honourable senators, I will withdraw the reference to a "due process clause" and rely on the Bill of Rights. The expression "Bill of Rights" refers to the present Canadian Bill of Rights which applies to federal matters only. I shall be dealing with that in a few minutes when I read section 1, which is the type of protection I seek for all Canadians, not only those falling under federal jurisdiction. In fact, I notice in turning my notes that the Canadian Bill of Rights is the next item on my agenda.

Part I, section 1 of the Canadian Bill of Rights, with which all senators will be familiar, is:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,
>
> (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;
>
> (b) the right of the individual to equality before the law and the protection of the law;
>
> (c) freedom of religion;
>
> (d) freedom of speech;
>
> (e) freedom of assembly and association; and
>
> (f) freedom of the press.

● (1500)

This Bill of Rights is not binding on the provinces, and I say that until such a bill of rights is embedded in our Constitution so that it governs the actions of the provinces, we must not only retain the powers of disallowance, but those powers must be exercised by the federal government or it is failing in its duty and thereby deliberately withdrawing from Canadian citizens the right of due process to which they are entitled.

Honourable senators, I shall now read some excerpts from a paper on this subject prepared in 1968, which I obtained from the Research Branch of the Library of Parliament. I have endeavoured not to take any of these out of context, but rather have selected some items from this very lengthy paper which many honourable senators may find to be of interest when considering this subject.

> It should be remembered that the powers of disallowance and reservation have been considered as an essential part of the scheme of Confederation. As reported by G. V. Laforest, who is quoted in the first page of this study, these powers were a compromise between the Fathers who supported a legislative union of the provinces and others who had favoured a federal constitution. Thus the powers of disallowance and of reservation are at the root of our system of government ... To put it another way, if someone is prepared to recommend the abolition of these powers, he must be prepared to accept some fundamental changes in our constitution. When the question of the abolition of these powers is examined, we must bear in mind that it implies a different conception of Canadian federalism.
>
> Are the "abolitionists" prepared for such radical reform?

The paper goes on to an area entitled: "The Defence of Minorities." I would commend to the consideration of honourable senators that a proper definition of democracy

should include not only the right of the majority to rule, but equally the right of minorities to their rights. A citizen, in thinking whether or not he might belong to the majority or minority group, should keep in mind that every single citizen is a minority of one, and if legislation can be promulgated taking away one's rights without due compensation, then I put it to honourable senators that we are living in a land where a definition of democracy has to be somewhat circumscribed to apply to it.

Professor W. P. M. Kennedy says:

> —the power of disallowance was inserted in the British North America Act to cover, in general terms, unjust, confiscatory, or ex post facto legislation, against which there are express safeguards in the constitution of the United States.
>
> A priori, there is a certain amount of support for this contention. It is well known that the constitution of the United States was carefully studied by those who laid the foundations and organized the framework of Canadian federation. It is not unreasonable to suppose that they had in mind in the 'disallowance sections' a means of dealing with provincial legislation which might be judged unsound in principle. Cartier, as we shall see, explicitly said that this was the intention. As a matter of fact, from federation to 1893, the weight of evidence, both from the bench and from the federal cabinet, is in favour of this point of view.

The paper comments:

> When provincial legislation discriminates against certain persons and, at the same time, deprives these persons of their right to appeal to the courts against the exercise of arbitrary power, the exercise of the power of disallowance is the only remedy.
>
> This is particularly true for two categories of persons affected by arbitrary provincial legislation: those who are in a minority and those who are not living in the province. The remedy given to them in a democratic country at the ballot box is of no assistance.
>
> This opinion is that of Professor Frank R. Scott, who wrote in his book "The Canadian Constitution and Human Rights":
>
> "Hence the federal government can keep a watchful eye on provincial behaviour, and has the legal power to stop a provincial government from adopting laws which unjustly restrict or attack minority rights or human rights. Many provincial laws have in fact been disallowed in the past, the latest examples being some of the Social Credit laws in Alberta in 1941. The Fathers of Confederation undoubtedly intended that this power should be used to protect minorities: for example, when Georges Etienne Cartier was asked during the Confederation debates in 1865 what would happen if the French majority in Quebec tried to blot out the English-speaking minority from any representation in the Quebec legislature, he replied that the law could be vetoed. 'I would recommend it myself in case of injustice,' he said."

Hon. Mr. Martin: It is up to the honourable senator to decide what he wishes to do with the document put out by the research group. I notice that he has made some selections, which is his right. But, in order to give honourable senators the fullest opportunity of reviewing this matter, perhaps he might wish to have the information incorporated in some other way, perhaps as an appendix to today's proceedings—

Hon. Mr. van Roggen: I am entirely in the hands of the Senate. I merely telephoned the Research Branch of the Library, and asked for any material on this subject. They sent this information to me, which is a paper prepared in 1968. It may be too voluminous to append to the *Debates of the Senate* of today as it comprises some 60 pages. Certainly any honourable senator can obtain a copy by simply telephoning the Research Branch.

Honourable senators, I turn now to another matter. Do we have the same protection as the English under common law? Every school boy is familiar with the oversimplified principle that Parliament is all powerful. As the saying goes, "Parliament can make a man a woman." In England, however, with its famous "unwritten Constitution," the courts on numerous occasions have come to the aid of the citizen against arbitrary parliamentary enactments, relying on Magna Carta, the Bill of Rights, Habeas Corpus, the Act of Settlement, et cetera; but in Canada, where we have a quasi-Constitution in the BNA Act, this power of the courts is not so clear.

Admittedly, the preamble to the BNA Act makes reference to a "Constitution similar in Principle to that of the United Kingdom," but unfortunately the true meaning of these words has not received much attention by our courts, and they are after all only part of the preamble to the BNA Act.

Tarnopolsky in his book on the Canadian Bill of Rights (1966) states at page 19:

> It is difficult to ascertain why there was no discussion of civil liberties at the time of Confederation. Possibly this was a result of a reaction to the American experience with the civil war rising out of controversy over states rights and the rights of certain inhabitants of the United States. It was more probably the result of the belief of the Fathers of Confederation that the new country they were creating was a successor to the heritage of English constitutional law. The Magna Carta, the Bill of Rights, the Act of Settlement, among others, and the English Common Law, with its emphasis on the rights of free men which could not be taken away—

Mr. Justice Abbott of the Supreme Court of Canada touched upon this in *Switzman vs. Elbling*, (1957) Supreme Court Reports, page 328, where he said, in reference to legislation to suppress communistic propaganda and hence public debate and public discussion:

> Although it is not necessary, of course, to determine this question for the purpose of the present appeal, the Canadian Constitution being declared to be similar in principle to that of the United Kingdom, I am also of opinion that as our Constitutional Act now stands, Parliament itself could not abrogate this right of discussion and debate.

In other words, honourable senators, there may be a power in our Constitution over and above the power of

Parliament where matters of fundamental liberties are concerned, but England is not a federal state with statutory powers given to the provinces, and so long as this theory, hanging as it does on a few words in the preamble to our Constitution, remains unclear and undeveloped, the federal government must perform its duty under the power of disallowance.

● (1510)

Let us look at some examples of provincial acts or proposed provincial acts, which infringe on the basic and fundamental human rights of Canadians. Before doing so, I might be permitted to observe that it is a very non-partisan list. Between the federal governments that have refused to act under the powers of disallowance when, in my opinion, they should have, and the provincial governments enacting the legislation, we have had Conservatives, Liberals, Social Creditors, NDPers, and the Union Nationale, all with their hands in the cookie jar.

The following is by no means an exhaustive list and is meant only to constitute a representative random sample of legislation abrogating basic human rights, passed or attempted by provincial governments during the past number of years when federal governments have, generally speaking, discontinued exercising the power of disallowance.

Let us first look at the infamous Quebec "padlock law" to which I referred a moment ago. As honourable senators will recall, this was an attempt to curb communism or bolshevism. Those two words, "communism" and "bolshevism," were used, but nowhere were they defined. That law made it illegal for an occupant of a house to allow any person to use that house to propagate communism or bolshevism, the penalty for such an offence being that the house would be padlocked for a period of one year and the tenant dispossessed, with no redress whatsoever for the tenant.

I suggest, honourable senators, that that law should have been disallowed by the federal government. The federal government was petitioned, I believe by Senator Forsey, to disallow it, but refused to do so. Some 15 or 20 years later it was declared unconstitutional by the Supreme Court of Canada. However, that certainly was no reason for it not to be disallowed in the first instance. The federal government, of course, now has the right to make a reference to the Supreme Court of Canada any time it wishes to do so.

Next, let us look at Premier Smallwood's legislation permitting labour unions to be outlawed at the whim of the premier. This was a 1959 provincial statute which provided, inter alia, that the Cabinet could dissolve any trade union where it appeared to the Cabinet that superior officers of the union or any affiliate had been convicted of a crime. It did not matter that they served their full sentence and paid their debt to society. The Cabinet did not even have to have proof; it just had to appear so.

There are other examples outside my own province of British Columbia, but let us go now to British Columbia, where most people would expect me to seize upon the takeover of B.C. Electric by Premier Bennett, when he arbitrarily set the price to be paid for the shares. Unlike Mr. Barrett, at least he was going to pay something for them. But then, when the shareholders had the temerity to go to court, he had the legislature pass a second statute saying that no court should entertain any action relative to the first statute. To its great credit, the Supreme Court of British Columbia simply ignored the second monstrosity.

I am not going to use the *B.C. Electric* case as an example. Rather, I am going to refer to an instance of common theft by threatened legislation known as the Parkford Estate. The facts are very simple: In August, 1956 land was quite properly expropriated by the provincial government for a freeway near the Dease Island Tunnel south of Vancouver, at which time compensation—again some compensation was offered—in the amount of $280,000 was offered by the provincial Crown, which offer was not acceptable to the several owners of the land in question. That was perfectly proper.

After some four years of inaction by the government, the owners eventually succeeded in bringing the matter to arbitration, as provided for in the provincial statute, and on October 28, 1960, a duly constituted board of arbitration awarded the owners $442,000, together with interest at 5 per cent per annum from the date of expropriation, for a total award of approximately $550,000. This award of the arbitration board was subsequently made into an order of the Supreme Court of British Columbia.

However, this award was not to the liking of the government. I do not quarrel with that, but what I do quarrel with is that the government then did not pay the amount of the award and did not avail itself of the right of appeal to the courts which was open to it, and, as the former owners of the land could not issue execution against the Crown, they sat with their judgment and no money, and without any appeal on the part of the Crown.

In 1961, at the spring session of the legislature, Mr. Bennett introduced Bill 77, which simply decreed that the payment for the taking of this land would be settled in full on payment of the sum of $350,000, that being $200,000 less than the award plus interest. This bill was brought into the legislature by stealth, without notice to any of the parties concerned, on the last day of the session. It made no reference to the award of the arbitration board, but it did purport to erase any judgment or other action by any court relative to the land in question. The bill was disguised to look like a munificent settlement for the former owners of the land. This happened in Canada, honourable senators.

That bill never became law as an all-night negotiation session in Victoria—with the then Attorney General as, I would suspect, a rather chagrined intermediary between the owners and the premier—resulted in the provincial government increasing the amount it was willing to pay by some $80,000. The amount for which the parties settled was only $120,000 less rather than $200,000 less than the amount which the arbitration board awarded. So this common theft was reduced from the intended purloining of $200,000 down to only $120,000.

You might ask why the owners settled. Well, this whole event occurred on the last day and night of the sitting of the British Columbia Legislature for that session, and consequently the lawyers advising the owners hardly had time to weigh all of the factors involved in seeking redress

at the federal level, particularly as such redress had not been forthcoming for a number of years.

I can only make the comment that I can see no distinction between this type of action by a provincial government and that of common bank robbers, the only difference being that the bank robbers go to jail.

Now, honourable senators, I will deal with my last example, that being the bill of the present Government of British Columbia to which I referred earlier. I speak for myself and, I know, for many other British Columbians, when I say that while I do not agree with the economic philosophy of the NDP in so far as it advocates a socialist state, I, at least, looked forward, following their election to the Government of British Columbia last October, to a much higher level of morality in government than we experienced under the Bennett regime. If there is one thing the NDP never tire of, it is asserting their superior virtue. It therefore came as a shock to me and, I know, to Senator Lawson, as well as to many other people in British Columbia, to have the new government not only prove itself no better than its predecessor but actually prove itself worse. While its predecessor liked to pay only what it unilaterally considered to be fair compensation for expropriated property, the new government goes a step further and asserts that there will be no compensation whatsoever.

Honourable senators, if I did not point this out earlier, I should mention that clause 14 of Bill 103, which declares these contracts void, was brought in by the British Columbia government as an amendment on third reading, without notice, which is undoubtedly the reason it passed the legislature without an outcry at that time.

These few examples I have given, of provincial legislation unchallenged by the federal authority in spite of its clear duty and right to do so, clearly place the Canadian citizen at the level of a citizen of some banana republic, without those protections which are embedded in the American constitution, on the one hand, not to be overthrown by any politician and which, on the other hand, either through usage or the common law, are available to the citizens of England.

I might comment here on what is commonly referred to as the double standard of political morality which we have in Canada, where the public and the press, and media generally, clearly expect a higher level of public morality at the federal level than they do at the provincial level. This applies to both the conduct of public officials and legislation. Apart from this double standard, you might ask why there are not examples at the federal level of legislation infringing on human rights such as those examples I have given as being perpetrated by various provincial governments. I say to you, honourable senators, one very good reason is that no federal government in its right mind would submit legislation such as I have given examples of to Parliament, because, even if with a majority government it could ram it through the other place, it would never get it past the Senate. So we probably justify our existence in the area of civil liberties by just being here.

● (1520)

Let me quote section 29 of Magna Carta.

[Hon. Mr. van Roggen.]

> No free man shall be taken, or imprisoned or be diseised of his free hold, or liberties, or free customs, or be outlawed, or exiled, or any otherwise destroyed; nor will we not pass upon him, nor condemn him, but by lawful judgment of his peers, or by law of the land. We will sell to no man, we will not deny or defer to any man either justice or right.

It is important to keep in mind that at the time of Magna Carta the reference to the law of the land was not designed to encompass an oppressive act passed by some satrap with majority control over a provincial legislature.

While on the subject of Magna Carta, I might quote Coke, who emphasized that it was the liberty of the subject and not the authority of government which was unbounded.

As Mr. Justice O'Halloran of the Supreme Court of British Columbia sets forth in an article on inherent human rights:

> Few succeeding kings failed to try in some way to place themselves above the law. Complacent Parliaments not infrequently encouraged them to do so.

He again quotes Coke who said:

> Magna Carta is such a fellow that he will have "no sovereign."

Or, to put it another way:

> The divine rights of kings was not ejected in order to put in its place a doctrine of the divine right of Parliament denied by the ancient law affirmed time and again over six centuries.

The American colonists fought a war for these principles, and the ablest men in England, such as Coke, Pitt and Blackstone, upheld them.

Are we to believe that the Canadian Fathers of Confederation considered these rights forfeited to Canadians? Not on your life. But we are in danger, through repeated federal government inaction, of falling between two stools and having neither the protection of the due process provisions of the American constitution nor the common law protection of England, for this will be the result if we try to live by the British North America Act without employing one of its fundamental tools, namely, the right of disallowance.

Even the continental system, which developed quite differently from the English Common Law, recognizes fundamental rights of individuals and that famous document of France, *The Rights of Man and of Citizens* of 1789, specifically included the right to property with liberty, security, and the right to resist oppression. In particular, the 17th and last article of that famous declaration of "the natural inalienable and sacred rights of man" reads:

> As the right of property is sacred and inviolable no man may be deprived of it save by evident public necessity lawfully determined and on condition that a just indemnity be paid.

The provinces have proven themselves wanting time and again. They cannot be relied upon to maintain the rights of the citizen. Time and again they have been thieves of property, liberty and due process. Democracy and the rule of law are surely strong flowers growing in the garden, but, like any other flower, they must be nur-

tured and not trampled under foot, and it is the duty of any administration worthy of the name in a democracy to leave the garden with these flowers stronger than before; not weaker than before. They are strong enough to withstand the depredations of minor potentates, but they are not strong enough to withstand a calculated and planned program of neglect by the federal authority in Canada.

Honourable senators, I say it is imperative that the federal government disallow oppressive legislation of these predator premiers such as Smallwood, Duplessis, Bennett, and now Barrett, and the failure of recent federal governments to do so is no precedent to be relied upon for now failing to exercise this clear duty. If the federal government will not do so, then no Canadian citizen lies safe in his bed at night secure in his person and his property.

Hon. Ernest C. Manning: Honourable senators, may I be permitted to make a few comments on the important, and certainly serious, issue that Senator van Roggen has brought to our attention. I am not acquainted with the particular piece of legislation in British Columbia to which he has referred, but if its impact and effect is as Senator van Roggen has described it, I probably would feel just as strongly as he that it is bad legislation, not the type of legislation that should be on the statute books of any province, and I would agree there are probably valid and strong arguments that can be advanced for its disallowance.

The first point I would draw to your attention, honourable senators, is that in considering an issue of this kind we need to weigh very seriously the negative as well as the positive consequences of federal disallowance of provincial legislation. I can speak as one with some personal experience because, as was pointed out, some legislation of the Government of Alberta, of which I was a member at the time, was disallowed, and also there was the withholding of royal assent in another instance. I draw this to your attention without arguing the merits of the case, but I do point out that in issues of this kind the argument is never wholly one-sided.

No government, provincial or federal, introduces legislation without some reason which, rightly or wrongly, it considers a valid reason for so doing. If there is a question of jurisdiction involved, the situation is very different from those cases where it is a matter of an alleged infringement of the rights of individuals or of some minority group, even though the power to act was within the competence of the legislature.

In the case of the legislation that was disallowed in Alberta, the jurisdictional issue was the key point. That was a long time ago.

Hon. Mr. Martin: In 1943, was it not?

Hon. Mr. Manning: However, I very well recall the intense resentment, even to the extent of what could be correctly described as public bitterness, at the federal government's interfering in an issue that was held to be within the competence of the provincial legislature. In that case there was the argument that the judgment that it was in their competence was wrong, and it was later held to be wrong by the Supreme Court. But if there is no jurisdictional issue involved, public resentment at federal interference would be much stronger than where it can be established in the courts that the matter is outside the competence of the legislature.

In other words, if the federal government intervenes in situations of this kind, there is no way to avoid the public placing on that interference the interpretation that it is political interference on the part of the federal government with the actions of a duly elected provincial government. It is that aspect of the matter that gives a great depth of seriousness to this whole issue.

● (1530)

Federal-provincial jurisdiction is a very sensitive matter in Canada today. We all can name scores of cases where the provinces have felt there was federal interference in the field of provincial jurisdiction. In fairness I should say that there have been other cases where certain actions by provincial legislatures have caused concern in Ottawa, because of overlapping or interference in the Government of Canada's field of jurisdiction. I simply draw attention to the well-known fact that the whole question of federal-provincial jurisdiction is extremely sensitive in Canada today. We are all aware that one of the greatest threats to our national union is what is frequently referred to as a "growing regional alienation."

Honourable senators, I can think of few things that would cause greater regional alienation under present circumstances than for the Government of Canada to disallow the legislation of any province, not on constitutional grounds but on the ground that they are more concerned with the rights of individuals than the duly elected government of that province.

I am not arguing against the reasons that Senator van Roggen has enumerated as to why there should be federal interference; but I say that it would be a very serious thing today for the federal government to inject itself into the provincial field when the question of jurisdiction is not the issue, and justify its intervention by saying, "We are more concerned with the rights of your people than you are."

I submit that you simply cannot sell to the electors of any province the proposition that the federal government is more concerned with human rights than the provincial government which they have freely elected by the democratic process.

We are all aware that the more local a government is the closer it is to its people. The municipal governments are undoubtedly in closer touch with their electors than is the case with any other level of government. The provincial governments are next, and the federal government is the most remote. If you think for one moment that you are going to get the people of British Columbia, for example, to accept the proposition that the federal government is more knowledgeable of, and more sensitive to, the rights of the citizens of British Columbia, than the provincial government they themselves have elected, you are mistaken. I say that, much as I disagree with their government and its philosophy.

In my judgment, if we are really concerned about the sensitive areas that bear directly on the question of the future of Confederation, we ought to think very seriously before we recommend that the federal government should

interfere in provincial jurisdictions by actions of disallowance, unless it is a case so extreme that it would be obvious to the great majority of people that there should be such interference. Otherwise, I very much fear that the resentment and the adverse reaction would do infinite harm to the fabric of Confederation, which is already under severe strains today, not only in Central Canada but in Western Canada as well.

Hon. Eugene A. Forsey: Honourable senators, I rise first of all to say how glad I am that this matter has been raised, because I think that in a good deal of recent discussion, such as there has been—and it has been rather skimpy on the whole—in a good deal of recent discussion of the power of the Government of Canada to interfere with provincial legislation under the provisions of the British North America Act, the matter has not been dealt with with anything like the thoroughness and the logic, let alone the reference to history, that it might have been and, in my judgment, should have been.

There has been, in my view, too easy an assumption that the provincial governments and legislatures are always right, unless they can be proven to have been flagrantly wrong, beyond contestation by their most ardent supporters and defenders. I think this is perhaps a somewhat oversimplified view.

I am one of those who feel that the dominion power of disallowance of provincial acts, and even the dominion power to instruct Lieutenant-Governors to reserve provincial bills, may yet have considerable value, and more particularly in cases where fundamental human rights are involved. If we could get a bill of rights embedded in the Canadian Constitution, entrenched in the Constitution, so that certain rights would be beyond the power either of the Parliament of Canada or of the legislatures of the provinces to interfere with them, then I dare say you could make out a fairly strong case for the abolition of the power of disallowance of provincial acts and the reservation of provincial bills.

But we have no such entrenched bill of rights in our Constitution and I am very reluctant to see the rather thin protection that is afforded to civil rights and liberties by the reservation and disallowance sections of the British North America Act abolished before we have some adequate substitute for them.

I say it is rather thin, because the number of times in which the dominion has intervened to protect basic civil liberties is lamentably small. It has intervened much more often, though even then not very often, to protect the rights of property. I am not prepared, myself, to regard the rights of property as resting on the same solid foundation as the rights of the human person. I do not suppose any honourable senators will recall what I said on this subject in discussing the report of the Joint parliamentary Committee on the Constitution, but I did there, when I discussed that in this house, associate myself with the caveat of the NDP members of the committee that the rights of property were probably not seriously in need of protection in an entrenched bill of rights in the Constitution; that on the whole they could be left to the courts to deal with; that we had no reason to suppose that our courts would be insufficiently tender of the rights of property.

[Hon. Mr. Manning.]

However, very few general propositions in such matters can be laid down absolutely and without qualification, and I should be inclined to say that you could even make an argument—I should not be prepared to go to the stake for it—you could make an argument for saying that even with a bill of rights entrenched in the Constitution and protecting the rights of the person, if you did not include something covering the rights of property, you would perhaps find it worthwhile to retain the power of disallowance in cases where there could be shown to be flagrant abuse of the rights of property.

I am not particularly tender of the rights of property. I think that there is a good deal of a tendency to overestimate them. But after all they do exist under our law and under our general constitutional understandings.

Having said that, I want to turn more particularly to the subject matter of this inquiry. Senator van Roggen was kind enough to place me in a rather high rank of people knowledgeable in this subject, and I think he rather overdid it. He was kind enough to suggest that perhaps I took second place only to Senator Goldenberg. I am sorry, by the way, to see that Senator Goldenberg has left, as I should have liked him to hear the deferential remarks I am now about to make about him. I should think it highly probable that Senator Goldenberg knows a great deal more about this subject than I do. I should think it is absolutely certain that the present Associate Deputy Minister of Justice, Dr. La Forest, knows more than either of us about the subject. I think he is probably the premier authority on this subject in the whole country. Nevertheless I have a certain degree of knowledge—perhaps, somewhat above the average, shall I say—of this subject, because in the course of my somewhat tempestuous past career, I have had occasion to take part in the movement for disallowance of provincial acts in four cases.

● (1540)

Senator van Roggen attributed to me alone the petition for the disallowance of the Quebec padlock act. Well, honourable senators, I drew up that petition, but I did it on behalf of a group of people in Montreal, organized as a civil liberties union. I did not have the temerity, myself, personally, individually to draw up such a petition. But I did it in association with a number of other people who felt as I did on the subject of that particular legislation.

Then, later on, I drew up, when I was at the Canadian Congress of Labour, a petition on behalf of that Congress, the Trades and Labour Congress of Canada, and the Dominion Joint Legislative Committee of the Railway Transportation Brotherhoods, for the disallowance of the Prince Edward Island Trade Union Act of 1948, which would have placed all unions in that province, except those confined to the province alone, in a most perilous position, to put it mildly.

Then I helped to draw up for the Canadian Labour Congress the two petitions presented for the disallowance of the Newfoundland labour legislation in 1959. I might add that on that occasion the congress tried first of all to get the Government of Canada to instruct the Lieutenant-Governor to reserve those bills for the signification of the Governor General's pleasure. Our view was that by the time the process of disallowance had ground out its result—and it usually is a very slow process, although not

always—a great deal of almost irreparable, perhaps quite irreparable, damage would have been done. We felt that there was room here for the exercise of the power of reservation in somewhat the same way as an interim injunction may be used in proper cases—and there are improper cases—in ordinary legal proceedings.

Anyway, honourable senators, I must say that in all those four cases in which I was active in trying to obtain disallowance, I was as unsuccessful as I was in my attempts to be elected either to the Montreal City Council, the Legislature of Ontario, or the other place. The government in every case declined to disallow. I am inclined to think that possibly in the Prince Edward Island case, the government may have dropped a strong hint to the Government of Prince Edward Island about the situation, because, in the next year, the legislature removed nearly all, if not all, of the obnoxious sections of the act of 1948.

Incidentally, this is an interesting feature of the history of disallowance, that in a great many cases the Government of Canada secured changes in, or the repeal of, obnoxious provincial legislation—obnoxious for a variety of reasons—by saying, shortly before the period for disallowance ran out, by wire to the Lieutenant-Governor of the province concerned, "Unless your advisers are prepared to recommend repeal or amendment of the legislation," as the case might be, "before the period of disallowance runs out, and it runs out tomorrow, we shall be obliged to recommend disallowance." And that in a great many cases appears to have done the trick. So that the actual number of disallowances is not altogether representative of the effect that this power may have on provincial legislation.

It may be worthwhile, honourable senators, as I have just mentioned the actual number of disallowances, to amplify a little, and perhaps correct in minor ways, the figures that Senator van Roggen gave on the withholding of assent, the reservation of assent and the disallowance of provincial acts.

Hon. Mr. Martin: May I ask Senator Forsey if in this review of the past he could tell us in what situations, and particularly the last time in 1943, there was any prior review of this matter in either House of Parliament?

Hon. Mr. Forsey: Well, I can come to that. That is a rather long story. As Senator Martin has asked the question—I don't think I have the document with me today; I think perhaps Senator van Roggen has a copy of it—but some years ago this matter came up in the House of Commons, in the days when the present Governor General was Speaker of the House, and relying on a wholly erroneous, a flatly and flagrantly erroneous, citation in *Beauchesne*, the Speaker ruled that this matter of disallowance could not be even discussed in the House of Commons, and that no questions should be asked about it, until the period for disallowance had expired. Then anybody could bring the question up and move censure on the government, either for disallowing when it should not have, or for not disallowing when it should have. The fact is that this doctrine is, of course, wholly unfounded.

The classic case, to which *Beauchesne* does make a slight and erroneous reference, was, of course, Mr. Costigan's motion in 1873 saying that it was the duty of the Government of Canada to disallow the New Brunswick Common School Act which had just been passed, amending common school legislation in that province. That was carried by 98 to, I think it was, 63 on May 15, 1873 with the government opposing it. It was carried after a long debate. No question was raised of the propriety, and the government, of course, quite properly, that is, as it was entitled to, disregarded the resolution passed by the House of Commons. There were no subsequent resolutions to that effect passed, but there were a great many cases where the matter was brought up in a motion—sometimes defeated and sometimes not carried to a vote—and where there was discussed in considerable detail the question of the right of Parliament to offer advice, to exercise what Edward Blake called, "the great power of Parliament, the power to advise the executive,"an undoubted power, completely supported by numerous citations in *May*, for example, and supported by an immense volume of precedent in the Parliament of Canada.

There have been, I should say at a rough guess from memory, eight, ten or a dozen times when this matter has been discussed, at least in the other place—I cannot say how often it has been discussed here—before the period for disallowance ran out. Sometimes there was a motion to disallow, and no disallowance took place. I don't think there was any case in which a disallowance took place after a desire for disallowance had been expressed in the House. However, that is rather by way of parenthesis, and I had not intended to go into that, except that Senator Martin raised the matter.

The last time, I think, that the matter was discussed at any length in the other place, in the context of Senator Martin's question, was, I think, about 1916, when Sir Robert Borden explicitly declared that it would be proper for the late Honourable Ernest Lapointe to present a motion asking for disallowance of some objectionable Manitoba school legislation.

However, if any honourable senators are interested, I can very easily provide them with an ample dissertation—rather too ample, in fact, and rather more ample than this extended, superfluously extended, perhaps, as it has been—an ample dissertation on this subject in which they will find, with copious footnotes, all the precedents in the other place that I have been able to discover.

The actual withholding of assent by Lieutenant-Governors has taken place, to the best of my recollection, 30 times since Confederation, the last time being in Prince Edward Island in 1945—a very curious performance, where the Lieutenant-Governor publicly announced beforehand that he was very much opposed to a particular piece of legislation, and he was going to veto it. And he did! However, that is extraneous to this matter.

So far as reservation is concerned, the number of reservations has been, I think, 70, and to the best of my belief 14 of those bills—and not 13 as Senator van Roggen said—have received the Governor General's assent.

● (1550)

The last occasion was, of course, in 1961, the Saskatchewan bill dealing with mineral contracts. The last occasions before that were three occasions of reservations in 1937 in Alberta, where the Lieutenant-Governor—as it turned out many years afterward—had been informally instructed by the Government of Canada to reserve. There was no

formal instruction, but it was a case where a nod is as good as a wink. It turned out after thorough investigation that there had been telephone conversations in which he was advised—a pleasant euphemism—that it would be desirable to reserve these bills for the signification of the Governor General's pleasure.

The total number of acts disallowed is 112. Acts of every province in the country have been disallowed—except for the Province of Newfoundland, which arrived rather late on the scene, of course, and Prince Edward Island. Prince Edward Island has had a tremendous number of withholdings of assent and reservation of bills, but it has never had a disallowance, to the best of my knowledge.

The last disallowance was of an Alberta act in 1943, an act dealing with Hutterite lands, if my memory serves me. Senator Manning can, of course, correct me on this if I am wrong. That particular case, I think, was rather a freak, because it was declared by the Government of Canada that this particular act interfered with the Defence of Canada regulations and that it was therefore highly undesirable that it should be allowed to go into effect.

I do not think there has been any other case exactly like that.

Apart from that, the last disallowances before that were acts of the legislature of Alberta, under the administration of which Senator Manning was a distinguished member, some of them dealing with purely social credit theory and related matters—I mean the application of social credit theory—and some merely dealing with the postponement of interest or the reduction of interest, or the cancelling of certain obligations or the reduction of certain obligations, which were disallowed in rapid succession by the Government of Canada at that time.

Honourable senators, that is a brief look at the actual number of acts disallowed. It is true, as Senator van Roggen said, that the question of whether provincial acts are *ultra vires* of the provincial legislature has been a factor in the majority of cases where disallowance has taken place. There have not been, to the best of my knowledge, too many cases where *ultra vires* has been the sole ground of disallowance.

I think that of the 112 acts, 32 have been disallowed on the sole ground that they were beyond the powers of the provincial legislature. The practice in recent years, in general, has been to leave the question of jurisdiction to the courts to settle. In general, I should be inclined to agree with the view expressed on that subject by Senator van Roggen, though I would qualify it in cases where it appeared that there might be virtually irreparable damage to person or property, especially to rights of people outside the province concerned—irreparable damage by the time the courts got round to dealing with the matter.

Senator van Roggen pointed out in the case of the Padlock Act that it took twenty years to get the matter to the Supreme Court of Canada. This is a rather long delay and a good deal of damage could be done in the meantime. One of the minor comedies of the history of the Padlock Act was that the powers of confiscating literature under that act were on one occasion exercised to confiscate the official literature of the Liberal Party of Quebec. That was, I suspect, a slight excess of zeal on the part of the provincial police rather than a deliberate act on the part of the provincial government.

In many cases, the question of *ultra vires* has been a ground for disallowance, but associated with other matters where it was felt that there was some general national interest—dominion policy, dominion legislation, dominion interest—in conflict with this. If there was felt to be that, then the acts were disallowed partly on the ground that they were *ultra vires* or even solely on the ground that they were *ultra vires*, simply because it was felt it would be extremely injurious to the public interest to keep them in effect.

Much the more important question for our purposes today is, of course, the one that has been raised specifically by Senator van Roggen about the exercise of the power of disallowance in cases where the legislation is, certainly or almost certainly, within the powers of the provincial legislature.

I should not go, as I have indicated, the whole way with Senator van Roggen in saying that if it is a matter of jurisdiction it can always be left to the courts. And I should not be prepared to go the whole way with those who say, let the provincial electorate deal with it: if they do not like the provincial government, they can throw it out at the next election. This is true, but the particular invasion of private rights which may have occurred, may not bulk very large at the provincial election some years hence. There is also the question of whether the interests of people outside the province are involved. There is no use saying, when the property of someone outside the province of British Columbia is involved, "Don't worry. You can vote the government out at the next election". They won't be there. They will be in Newfoundland or Nova Scotia or Ontario or Quebec, and they will be perfectly powerless to produce any effect on the British Columbia election—except possibly by making contributions to campaign funds which, I suppose, might indeed be a potent way of making their views felt.

I am not well enough acquainted with the circumstances surrounding the particular piece of legislation in British Columbia which was the occasion of Senator van Roggen's inquiry to be able to speak with any assurance about it. I think it is well in those circumstances for anybody—and more particularly for a layman not a lawyer—to obey the ancient legal maxim *audi alteram partem*, hear the other side. There is perhaps more ground for this legislation than appears on the face of it.

I agree also with what Senator Manning says, that we must be very careful—this has always been the view of ministers of justice in the dominion government—we must be very careful in interfering with the exercise of provincial legislative power within the areas of provincial competence. This can lead to a great deal of difficulty, a great deal of frustration and a great deal of resentment, as Senator Manning said. But I do not know that we should be so desperately afraid to exercise the constitutional powers of the Government of Canada in these circumstances. There has been a tendency in recent years to blow up the provincial governments and legislatures to something far beyond anything that the Fathers of Confederation ever intended for them.

Some of these provincial premiers now behave as if they were princes or electors of the Holy Roman Empire. They behave as if the Government of Canada were some foreign power, and a very wicked and malicious, even malevolent, foreign power into the bargain. They behave as if they were almost sovereign states, they behave as if any exercise of dominion power is almost an insult to their imperial majesties. I think this can be overdone.

Possibly the Fathers of Confederation did not give the provinces as much place in the scheme of things as they should have. No doubt circumstances change. No doubt public opinion and public temper change. No doubt there have been changes, in effect, in the jurisdiction of the dominion and the provinces, as a result of the interpretation by the courts of the British North America Act.

But when all that has been said, I think there is some ground for saying that as long as we have not got the kind of constitutional protection—and I use "constitutional" in the legal American sense, embedded, entrenched, constitutional protection—of private rights, that they have in the United States, there is some ground for saying that the power of the Government of Canada to intervene to protect private rights, even where they are affected simply by legislation within the power of the province, is worth preserving.

I am rather inclined to regret that in recent years, and in some very flagrant cases, governments on both sides of politics have passed by on the other side when they were presented with a serious case of invasion of private rights, sometimes of individuals and sometimes of groups. I have been more sensitive to the latter in, as it were, my official and professional capacity as a trade union official. But I think I have tried to take some account of the others too.

Incidentally, in some of these things that we objected to from the labour movement, there were confiscatory provisions, notably in the Padlock Act, of course, and in the Newfoundland Act, where there were provisions allowing the Lieutenant-Governor in Council not only to dissolve a union but to make regulations for the distribution of its assets.

So I am very glad, in short, that Senator van Roggen has brought this up. I think it deserves a thorough ventilation. I think it may be salutary, however valid the ground the British Columbia Government may have for this particular piece of legislation, for the British Columbia Government to realize that in this chamber at least there is a body of people who are keeping track of what goes on. I think this is a valuable service the Senate can render. Sometimes the mere exposition of the powerful case that I think Senator van Roggen made may have some effect upon the provincial government concerned. I do not think we should be afraid of discussing these things. I do not think we should be afraid, if the case has been thoroughly made—and I do not say it has been completely made in this instance—of urging the Government of Canada to exercise its powers. This is a valuable part of our Constitution, and should not be allowed to fall into desuetude.

● (1600)

I might remark in passing, for those who think that what I have been saying is pure old John A. Macdonald conservatism—which in some sense it is—that one of the patron saints of the Liberal Party—I suppose he still is—the Honourable George Brown, laid it down in the Confederation debates that this power existed for the prevention of injustices; there could be no injustices in local legislation without appeal. Senator van Roggen quoted from Sir Georges Cartier somewhat to the same effect, though in a narrower context.

I think we should do well to remember that there is perhaps some room for a balance between the exercise of dominion and provincial powers under the Constitution, and even possibly that the balance has in recent years tilted rather too far towards the provinces. This, I know, is terrible heresy. This is the heresy of one who is an unrevised and unrepentant follower of Sir John Alexander Macdonald in matters constitutional. But I am not persuaded that Sir John was quite the numskull that he is sometimes nowadays made out to be by his critics, and I am perfectly content to take my place beside him.

I do not know that there is anything much else I desire to say on this subject, honourable senators. There is just one thing, perhaps. I had made a note which I had forgotten about. I think it is important to realize that in certain instances the Government of Canada in, from the years I have reached, relatively recent times has exercised its power of disallowance on the ground of violation by a provincial statute of reason, justice and natural equity.

The most recent case I know of, and one of the most striking, is the *MacNeil* case in Nova Scotia. It was a statute of, I think, 1921, disallowed here in 1922. What happened then was that a certain Mr. MacNeil died, leaving his property to his sister. However, he and his partner had very large debts, and after he had died his creditors proceeded in the courts, and the courts said in effect, "No, the property does not belong to Miss MacNeil; it belongs to the creditors." That went right up to the Supreme Court of Canada, as I recall. Miss MacNeil was not satisfied with this, and she had a shot left in her locker. She interested a fellow clansman, Mr. Grant MacNeil, an M.P., for one of the British Columbia constituencies and secretary of the Great War Veterans Association, in her case. Mr. MacNeil had been a veteran. There was a tremendous hullaballoo, which wound up with the Dominion Government, on the recommendation of the Honourable Sir Lomer Gouin, then Minister of Justice, disallowing this particular act.

I am getting ahead of myself. Miss MacNeil went to the Nova Scotia legislature first of all. (I am getting it wrong. Perhaps this should be expunged from the record. I do not suppose it will be. It will be a monument to my carelessness at certain moments in speaking.) Miss MacNeil went to the Nova Scotia legislature and asked to have the property vested in her; in other words setting aside the judgment of the Supreme Court of Canada. The legislature did it. Then the creditors also had a shot left in their locker. They appealed to Ottawa for disallowance and the disallowance went through. The Minister of Justice, supported by the Cabinet, said that this was a gross violation of reason, justice and natural equity, that it was a terrible thing to set aside the verdict of the highest court of the land in this matter, and the thing was disallowed.

I remember that case particularly, because I had occasion to refer to it in proceedings before the Joint Committee on Human Rights and Fundamental Freedoms in 1947, when the Honourable Senator Gouin, who was a member

of that committee, said to me that of course there had been cases of this sort, but none for something like half a century, I think he said, although I have forgotten exactly. I am afraid I took a slightly naughty pleasure in saying, "Oh no, I can't accept that statement, Senator Gouin, because the last case was one in which disallowance was recommended and carried out on these very grounds as a result of a report in very strong terms by your distinguished father."

That is one reason why the MacNeil case remains firmly entrenched in my memory. So there have been exercises of this in what are for me relatively recent years, though I suppose for some of the younger members of this chamber they are almost prehistoric.

I did not rise to say that I entirely agree with the whole case Senator van Roggen made out. I did rise to say that I think there is very great merit in having the subject ventilated, and I think his case deserves very serious consideration by this chamber.

On motion of Senator Goldenberg, debate adjourned.

BUSINESS OF THE SENATE

Hon. Paul Martin: Before the Senate adjourns, may I remind honourable senators that the Standing Senate Committee on Banking, Trade and Commerce will be sitting now to consider the National Parks bill. Also, the Standing Senate Committee on Transport and Communications is already meeting to consider Bill S-9, to enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft.

Hon. Mr. Grosart: The Standing Committee on Internal Economy, Budgets and Administration will also meet.

Hon. Mr. Martin: Senator Grosart reminds us that that committee will meet as soon as the Senate rises.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(*See p. 780.*)

GOVERNMENT EXPENDITURES (ALL LEVELS) AS A PER CENT OF GNP—1961 AND 1971
(National Accounts basis)

	1961	1971
	(Millions of Dollars)	
GNP	39,646	93,094
Total Government Expenditures		
(All levels)	12,326	35,010
(Per cent of GNP)	(31.1)	(37.6)
Federal Government		
Total current expenditures	6,885	16,953
Plus: gross capital formation	304	531
Less: transfers to other levels	(1,128)	(4,348)
Net federal expenditures	6,061	13,136
(Per cent of GNP)	(15.3)	(14.1)
Provincial Governments		
Total current expenditures	3,399	14,927
Plus: gross capital formation	546	1,277
Less: transfers to other levels	(1,520)	(6,014)
Net provincial expenditures	2,425	10,190
(Per cent of GNP)	(6.1)	(10.9)
Local Governments		
Total current expenditures	2,339	7,438
Plus: gross capital formation	679	1,597
Less: transfers to other levels	(34)	(58)
Net expenditures—local governments	2,984	8,977
(Per cent of GNP)	(7.5)	(9.6)
Hospitals		
Expenditures on goods & services	706	2,461
Plus: gross capital formation	150	246
Total expenditures—hospitals	856	2,707
(Per cent of GNP)	(2.2)	(2.9)

Source: Statistics Canada, National Income and Expenditure Accounts, Cat. No. 13,001.

Note: Canada Pension Payments are included under Federal, and the Quebec Pension Payments under Provincial expenditures.

APPENDIX "B"

(*See p. 780.*)

NATIONAL ACCOUNTS OF SELECTED OECD COUNTRIES—1968

	Total Current Government Expenditures	GNP at Market Prices	Expenditures as % of GNP
Canada (millions of Cdn. $)	20,358	68,477	29.7*
United States (millions of U.S. $)	253,207	876,029	28.9
Japan (billions of Yen)	7,369	51,242	14.4
France (billions of Francs)	215.67	624.29	34.5
Germany (billions of DM)	172.20	529.00	32.6
Sweden (millions of Kronor)	49,476	132,195	37.4
United Kingdom (millions of £)	14,290	42,341	33.7

Source: OECD, National Accounts of OECD Countries, 1950-1968.

*This percentage share is marginally different from the Statistics Canada figure of 29.0% due to OECD's manipulation of figures to achieve comparability between the data from the various countries.

THE SENATE

Thursday, June 28, 1973

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

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of amendments to Part VI of the National Energy Board Regulations.

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. 1973-1539, dated June 14, 1973, approving same.

Report on the administration of the Canadian Forces Superannuation Act for the fiscal year ended March 31, 1973, pursuant to section 28 of the said act, chapter C-9, R.S.C., 1970.

Report on the administration of the Canadian Forces Superannuation Act, Part II, including amounts credited to or charged against the Regular Force Death Benefit Account for the fiscal year ended March 31, 1973, pursuant to section 41 of the said act, chapter C-9, R.S.C., 1970.

Statement by the Department of National Defence of moneys received and disbursed in the Special Account (Replacement of Materiel) for the fiscal year ended March 31, 1973, pursuant to section 11(4) of the National Defence Act, chapter N-4, R.S.C., 1970.

Report of Defence Construction (1951) Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of Crown Assets Disposal Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1973, pursuant to section 14 of the Surplus Crown Assets Act, chapter S-20, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of Atomic Energy of Canada Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1973, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

INTERNAL ECONOMY

BUDGETS OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce for the proposed expenditures of the said Committee on Banking, Trade and Commerce, with regard to its examination and consideration of the document entitled "Foreign Direct Investment in Canada", tabled in the Senate on Monday, May 15, 1972, and the subject-matter of any bill arising therefrom, in advance of such bill coming before the Senate, or any other matter relating thereto, authorized by the Senate on May 16, 1973; and also with regard to its examination and consideration of any bill based on the budget resolutions relating to income tax in advance of the said bill coming before the Senate, or any matter relating thereto, authorized by the Senate on June 14, 1973.

SUPPLEMENTARY BUDGET OF NATIONAL FINANCE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on National Finance for the proposed additional expenditures of the said committee on National Finance with regard to its examination and consideration of such legislation and other matters as may be referred to it, authorized by the Senate on March 15, 1973.

SUPPLEMENTARY BUDGET OF SCIENCE POLICY COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the supplementary budget presented to it by the Chairman of the Special Senate Committee on Science Policy, appointed February 5, 1973, for proposed expenditures of the said special committee with respect to its work during the fiscal years 1972-73 and 1973-74.

AIRCRAFT REGISTRY 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 S-9, to

enable Canada to comply with a Convention on the International Recognition of Rights in Aircraft, 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. Miss Lapointe moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

NATIONAL PARKS ACT

BILL TO AMEND—REPORT OF COMMITTEE PRESENTED

Hon. John J. Connolly, Acting Chairman of the Standing Senate Committee on Banking, Trade and Commerce, presented the following report:

The Standing Senate Committee on Banking, Trade and Commerce to which was referred Bill S-4, intituled: "An Act to amend the National Parks Act," has in obedience to the order of reference of May 22, 1973, examined the said bill and now reports the same with the following amendments:

1. *Page 1:* Strike out lines 30 to 34 and substitute therefor the following:

"Majesty in right of Canada;

(b) agreement has been reached with the province in which the lands are situated that the lands are suitable for addition to a National Park; and

(c) notice of intention to issue a proclamation under this section, together with a description of the lands proposed to be described in the proclamation, has been published in the *Canada Gazette* at least ninety days before the day on which he proposes to issue such proclamation."

2. *Page 4:* Strike out lines 35 to 39 and substitute therefor the following:

"jesty in right of Canada;

(b) agreement has been reached with the province in which the lands are situated that the lands thereby set aside are suitable for a National Park; and

(c) notice of intention to issue a proclamation under subsection (1), together with a description of the lands proposed to be described in the proclamation, has been published in the *Canada Gazette* at least ninety days before the day on which he proposes to issue such proclamation."

3. *Page 5:* Strike out line 1 and substitute therefor the following:

"11. (1) The Governor in Council may, after"

4. *Page 5:* Add immediately after line 16 the following subclause:

"Publication of notice

(2) The Governor in Council may, after the consultation referred to in subsection (1), issue a proclamation under that subsection, where notice of intention to issue a proclamation under that subsection, together with a description of the lands proposed to be described in the proclamation, has been published in the *Canada Gazette* at least ninety days before the day on which he proposes to issue such proclamation."

Your committee recommends that consideration be given to the conduct of a more detailed examination of Canada's present national parks policy and administration by a committee of the Senate at an appropriate time.

Respectfully submitted.

J. J. Connolly,
Acting Chairman.

Hon. Mr. Connolly (Ottawa West): Honourable senators, it might be helpful if I said what the purpose of these amendments is. In certain circumstances under the conditions prescribed in the bill, a proclamation can be issued either to establish a national park or to extend the boundaries of an existing park. It was proposed by the committee that before any such proclamation should be issued, the intent to issue the proclamation should be advertised in the *Canada Gazette* for a period of 90 days before the proclamation is in fact issued.

The intention of this amendment was that people affected or disaffected by the proposed proclamation would then have an opportunity to make representation with reference to the action to be taken. That is the effect of the amendments of the three sections that are proposed to be amended by this report.

The other point about the report is a recommendation that at some appropriate time a committee of the Senate should consider the wisdom of examining the policy and administration with reference to the national parks of Canada.

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

Hon. Mr. Connolly (Ottawa West) moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

• (1410)

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, July 3, 1973, at 8 o'clock in the evening.

Honourable senators, I have on several occasions in the past warned the Senate about the degree of reliance which should be placed on my prophecies as to what is to be expected from the other place. However, in giving the program for next week I wish to state that my information is to the effect that in addition to the incomplete items on the Orders of the Day it is expected that we will have the two income tax bills, Bill C-192 and Bill C-193. On Tuesday evening the Senate reform debate will be resumed as well as the debate on Senator van Roggen's inquiry.

The Banking, Trade and Commerce Committee will meet next Wednesday and Thursday in an effort to complete its report on the income tax bills and continue its study of direct foreign investment in Canada. The Special

Senate Committee on Science Policy will meet on Thursday to consider the third report of that committee, and the Foreign Affairs Committee will be in a position to present its report on the Expanded European Communities some time next week.

It is also expected that the National Finance Committee will have ready for tabling in the Senate its supplemental report on the 1973-74 estimates respecting Information Canada. I should add that this work of the National Finance Committee has not yet been concluded and it is likely that that committee will be sitting next week as well.

The amendments made by the Banking, Trade and Commerce Committee to Bill S-4, to amend the National Parks Act, reported today, will have to be taken into consideration here next week. In addition, it is expected that we will receive from the other place the Parole Act amendments, the Crop Insurance Act amendments, and the Canada Pension Plan amendments, and possibly some other bills. Also next week the Honourable Senator Fergusson, our Speaker, will call the attention of the Senate to the visit of Canadian parliamentarians to Hungary from April 25 to 30, 1973.

I should also inform the house that at 5.45 this afternoon there will be royal assent, and it is expected that honourable senators will attend in great numbers as usual.

Hon. Mr. Flynn: If it is not asking too much!

Motion agreed to.

ENERGY RESOURCES

GOVERNMENT STUDY—QUESTION

Hon. Ernest C. Manning: Honourable senators, I should like to ask the Leader of the Government whether the report of the government study on energy resources has yet been tabled in the other place, and, if so, will the same report be tabled in this house?

Hon. Mr. Martin: Yes, it will be tabled in this house but not until Tuesday next. I say this because it will only be tabled formally in the other place later today, that is after 6 o'clock this evening.

APPROPRIATION BILL No. 4, 1973

THIRD READING

Hon. Leopold Langlois moved the third reading of Bill C-204, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that the following communication had been received:

GOVERNMENT HOUSE
OTTAWA

28 June 1973

Madam,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 28th day of June, 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.

TANZANIA, KENYA AND SOUTH AFRICA

VISIT OF CANADIAN BUSINESSMEN—DEBATE CONCLUDED

The Senate resumed from Tuesday, June 12, the debate on the inquiry of Senator Cameron calling the attention of the Senate to the recent visit of a group of Canadian businessmen to Tanzania, Kenya and South Africa.

Hon. Donald Cameron: Honourable senators will recall that when I opened this discussion on Tuesday, June 12, I reviewed briefly some of the highlights of the situation in Tanzania, and I wish to proceed now to complete this phase and move on to discuss the situation, as we found it, in Kenya and in South Africa.

One essential criterion for success in developing countries is the quality of its leadership. In this respect, Tanzania is fortunate in having as its leader and president, Dr. Nyerere, an outstanding statesman in Africa today and a man who ranks high among similar people throughout the world. Associated with him are a number of other very able men: the Honourable Joseph Mungai, Minister of Agriculture, who is a graduate of the Banff School of Advanced Management, and who is a lively and dynamic character with boundless energy and enthusiasm. Some of my colleagues, particularly Senator Martin, may remember the distinguished Minister of Foreign Affairs, Dr. Malecela, who was the first Tanzanian High Commissioner to Canada. He had had a good deal of experience in Canada and the United States, where he was his country's representative at the United Nations for a number of years, and he is a man who can hold his own with anyone. There are quite a number of others who are equally competent and this is one of the special assets which this country possesses. Interestingly enough, there is a special relationship between President Nyerere and Prime Minister Trudeau. Both were teachers before going into politics,

both are intellectuals, and both have the courage to do unorthodox things.

● (1420)

The government of Tanzania is following a policy of what it calls "democratic African socialism," which stresses equal opportunity for all and exploitation of none. The government has established a number of national priorities in the resource development, and the first priority is conservation and development of water resources—a scarce commodity in that very hot climate. The second priority is to provide the best education possible for the children of the country. The third priority is to raise the standard of living of the entire population as rapidly as possible.

Tanzania is a one-party state, but there is a very strong element of democracy, particularly at the constituency level. While the candidates may all represent one party, the contest to secure the nomination to represent a constituency is very keen indeed, and in that sense the election of the candidate in the constituency represents a lively competition.

The government stresses the importance of establishing a partnership between the private and public sectors. They are not too concerned whether the government owns 51 per cent and the private sector 49 per cent, or whether it is shared fifty-fifty, but they are concerned that the state has a major say in the formulation of policies effecting the lives of all the people.

Canada has been a major contributor in development assistance, and their program of $105 million is the largest funding in Africa. Most of the funds are granted through CIDA, and we have quite a number of foreign service officers and some CUSO people operating in Tanzania. The Tanzanians are very friendly to Canada, and they are hopeful that trade between their country and ours can be expanded.

One interesting comment registered with us was the fact that Tanzania had recently tried to buy three million bushels of wheat from Canada and had been told that Canada had no wheat available. Tanzania is likely to require CIDA financing for most of its purchases of Canadian products for some time to come.

Those sectors of the economy which seem to offer the greatest possibilities as markets for Canada are: wheat, flour, military uniforms and equipment, cargo-handling equipment, transmission cable, switch gear and transformers, pumping and sewerage equipment, engineering services, paper products, pharmaceuticals, forestry and mining equipment, and aircraft. Tanzania is, without question, the most outspoken state in Africa on the subject of apartheid in the Republic of South Africa, and they were somewhat critical of the fact that we were going to visit that country.

We pointed out to them that Canada's policy with respect to Africa was one of encouragement of international trade and the refusal to supply South Africa with military equipment of any kind. Some of the media people, however, persisted in pursuing a rather suspicious attitude as far as Canada was concerned in relation to her dealings with South Africa.

Kenya is a rich and beautiful country, covering some 225,000 square miles. Nairobi, the capital, is a modern and lovely city, and it is enjoying an unusual boom at the present time. As I said earlier, Kenya is interesting because it is a black-controlled free enterprise state, and the present president of the country, Johmo Kenyatta, is a most unusual character. If you will recall your history, it is not so long ago that he was leading the Kikuyu Tribe in uprisings against the occupying British and things were pretty rough for a period of time.

The Kikuyu is the dominant tribe in Kenya and represents only 20 per cent of the total population. There are great jealousies between the tribes, and the tribal relationships are more tense and acute than in any other African country. Kenyans are strongly racist under the surface, and with the present domination by the Kikuyu Tribe there could be inter-tribal frictions which could pose a threat to stability. However, at the present time there is no serious evidence of this, but it is something that would have to be guarded against.

The Kenyans are very proud that the United Nations International Agency has been established in Nairobi, and the building housing the various agencies is a landmark in this fascinating city. The Asian population in Kenya totals somewhere between 60,000 and 80,000. Of this number, 30,000 hold British passports, another 30,000 are Kenyan Asians who opted for Kenyan citizenship at the time of independence 10 years ago.

There has been a very rapid growth of a new, rich and privileged class in Kenya. These are the people who moved in and took over the businesses and the positions of authority when the colonial power, Britain, moved out. While the economy is basically an agricultural one, there are some 800 industries in the country. The government policy of rapid Africanization may be hurting the country, because it is felt by some people that they are moving too quickly. However, there are great pressures from the native population to speed up the Africanization process. Generally speaking, the Kenyans are pro-western and anti-communist.

There are presently 800 Canadians in Kenya, most of them involved in the aid programs of one kind or another, and of this number about 100 are experts in various aid development projects.

The Canadian aid project in Kenya was about $6 million in the past year. Of this $6 million, half is in direct grants and the other half is in loans. One of the long-term projects, and one which is badly needed, is a livestock project to upgrade the quality of the livestock in the country.

I referred in my introduction last week to the fact that we were appalled at the poor quality of livestock, but we had overlooked one of the traditions of the country, namely, that cows are valuable legal tender when a man buys a wife. It does not matter whether the cow is good or bad quality, it is the number of cows that matter.

It is expected that this program will spend between $50 million and $60 million over the next 10 years, and Canada's share in this will be about $10 million. The loans in this case are soft loans, with no interest and a 40-year loan period.

Another project which will be carried out over a period of years is the program to assist community development, and this is about $50 million. Of this amount, about $25

million is for harbours work and another portion is for training aircraft controllers. When we found ourselves flying on East African Airlines with pilot after pilot from Uganda, we were not feeling as easy as we might have been, until we found out that all of the pilots had been trained in Canada.

Another project is the York University project, under which some 10 economists are provided to assist the government in various ways. This calls for an expenditure of $700,000 over a period of five years. A related project is an arrangement under which the Canadian government has agreed with the Kenyan government to establish a training program in commerce, and the Canadian government has chosen the University of Alberta to carry out the project. The Faculty of Commerce of the University of Alberta has been asked to provide staff to establish a business school in Kenya, and at the present time five University of Alberta faculty members are on staff there.

Once again in discussions with the Kenyan authorities, we were advised that Kenya would like to buy between two and three million bushels of wheat, but again they had been told that Canada has no wheat available. In other words, this is a second order of three million bushels of wheat that Canada has been unable to supply in the recent past. Another opportunity for export to Kenya is fertilizer. This is in big demand, and again Canada is not able to meet the demand.

It can easily be seen from this that there are various opportunities for expansion of trade between our two countries. As far as trade relations with Kenya are concerned, the major areas offering substantial opportunity for Canadian business include: consulting engineering services, electrical power and generation transmission equipment, forest industries equipment, construction equipment, diesel locomotives, airport equipment, newsprint, telecommunications equipment, education and hospital equipment, fishing vessels, prefabricated housing, and potash. In addition, Kenya offers a particularly attractive climate for foreign investment.

● (1430)

Since independence in December 1963, Kenya has been a genuine, if modest, success story on the African continent. Kenyan economic progress has not come about as a result of great natural resources as in the case of Nigerian oil. Rather it has been the result of a pragmatic approach combining moderate nationalism with an hospitable climate for foreign investment that has allowed Kenya to develop the manufacturing sector to a high degree. Particularly striking is the degree to which Kenya has been able to find markets in Africa for her exports. Agriculture continues to be the principal source of livelihood for the population and of export earnings. In 1970 agricultural products accounted for 34 per cent of the GDP and 42 per cent of export earnings. The term "GDP" is one which we do not have here. It means "gross domestic product."

Coffee is Kenya's largest export crop, accounting for 20.5 per cent of exports. In 1970 tea, with approximately 12 per cent, took second place. The country also exports significant quantities of sisal, pyrethrum, cotton, fruits, flowers and vegetables.

Kenya has a rapidly growing and diversified manufacturing industry. The manufacturing sector is the third largest contributor to the gross domestic product, next to agriculture and the central government, and the rate of increase has been exceeded in the 1969-70 period only by the construction sector. During the three-year period, 1968 to 1970, the growth of manufacturing production averaged 9.2 per cent per year, slightly higher than the target rate of 8.9 per cent indicated in the development plan.

The aspect of Kenya's economy which is best known outside of Africa is tourism. This is a country with many attractive beaches, beautiful scenery, abundant wildlife. As a result, the game parks of Kenya are becoming world famous and are attracting more and more visitors each year. I should say that the beaches are beautiful on the east coast, but those beaches today are so polluted with oil that it is impossible to use some of them.

Tourism has become a major foreign exchange earner. In 1970 the receipts from this industry amounted to $53 million, an increase of 11 per cent over 1969. Tourism continued to develop rapidly in 1971 and altogether some 400,000 visitors entered the country that year and the number is going up each year. The government have plans to expand the tourist industry and they are building a number of large, modern hotels and lodges in strategic areas. The famous game parks of Nairobi, such as the Nairobi Game Park adjacent to the city of Nairobi itself, and the famous Aberdare National Park in which the world-famous Treetops is located, are tourist attractions par excellence. As a matter of fact, as more people discover the beauty of these parks and the rich resources of wild life to be seen on every hand, Nairobi and Kenya will become a mecca for the tourist industry.

By driving five miles out of Nairobi, you can come across lions—I was about to say tigers also, but that is not so. You can also see giraffes, zebras and other animals by the hundred. It is incredible that within five miles of that large industrial city you can drive out, as you would through the Laurentians here, and see this fabulous quantity of wild life.

Hon. Mr. Martin: That is so at Lusaka also.

Hon. Mr. Cameron: That is true, yes. As a matter of fact, as more and more people discover the beauties of this kind and the riches on every hand, Nairobi will become a mecca for the tourist industry.

There is no other city in the world where, within five miles of the capital, you can drive out into a 225 square mile game park and see lions, giraffes, zebras, wildebeests, warthogs, gazelles, ostriches, and other animals, literally by the hundreds. Certainly, I have never seen anything like it and my advice to anyone who has the opportunity to visit these parks is to do so because you will not find better value anywhere. The same is true of the famous Aberdare Park, which includes the world-famous Treetops, located on a very good highway within 100 miles of Nairobi. As this becomes better known, it will be absolutely essential to provide more facilities. One can go to Treetops and spend a day in this very unusual game park and watch two-ton rhinos, zebras, water buffalo, elephants, wildebeests, gazelles, impalas, and baboons, literally by the hundreds, drifting up to within 50 feet of your hotel room as they come to the salt lick and the water hole. This resource is simply magnificent and will be a veritable gold mine for the country as time goes on.

Trade relations between Canada and Kenya are governed by GATT as there is no bilateral trade agreement between the two countries. Canada accords Kenya preferential tariff treatment, while Kenya grants Canada most-favoured-nation tariff treatment.

Canada has traditionally had a moderate trade deficit with Kenya. In the period 1967 to 1970 this deficit averaged $3.8 million per annum. However, in 1971 there was a trade surplus in Canada's favour of something over $3 million brought about by aid-financed sales of railway equipment valued at over $5 million.

Canadian commercial penetration of the Kenyan market leaves wide scope for improvement. In 1970, for example, Canada sold only $1,500,000 worth of goods to Kenya; whereas Japanese exports were valued at $42.6 million and U.S. exports at $33.3 million. Moreover, neither Japan nor the U.S. benefits from the advantages accruing to the EEC under the terms of the ARUSHA Agreement.

While there exists a strong European orientation to Kenyan trading relations, as exemplified by the country's present trade patterns and the association agreement between the East African Community and the Common Market, there is no reason to be pessimistic about the future for Canadian trade and economic activity. Investment possibilities are particularly well worth exploring. Again it would seem that an aggressive trade promotion policy might pay off handsomely in the years to come.

The role of leadership in developing countries cannot be too strongly emphasized. Kenya has its share of bright, intelligent and aggressive leaders. Dr. Jomo Kenyatta, the president, has a long history of courageous and resourceful promotion of the interests of his people. We had the good fortune to have an hour with Dr. Kiano, Minister of Trade and Commerce. This man is a highly intelligent, alert and aggressive individual. He started out by getting a scholarship to attend Antioch College in the United States and went on from there to graduate with a PH.D. in economics from Stanford. It just happens that the trade licensing for Kenya comes under this minister's department and there is a constant lineup of people outside his door, applying for business licences of one kind or another. I said earlier that there is some concern about the possible over-rapid Africanization of the country's businesses. It is most interesting to note that when the government decide to take over a European-owned business, they give the original owner six months' notice to quit and then they work out a basis of compensation and proceed to take over the operation.

The Africanization program is causing some concern in the European section of the population. That, plus the tribal conflicts and a feeling that the change from colonial rule under the British to black rule under Kenyans, has just been a change from one type of master to another, and some people are beginning to compare the two to the detriment of the blacks. This may be unfair, because in a changeover of the magnitude which has taken place in that country in a period of ten years, the black ruling elite have made remarkable strides.

An interesting sidelight on the situation in Kenya was given in an International Labour Office report which appeared in the local papers just within the last few days. This report recommends a series of sweeping nation-wide reforms and goes on to say that, if delayed, the lack of reforms could endanger the stability of the country. The report acknowledges that implementation will be tough because "the report will be sure to offend important sectional interests." However, the fact that the government published the report and made it widely available is one indication of the measure of freedom which exists in the country and this tends to point up the underlying strength of the country and its institutions. A well-known diplomat said that few other nations in Africa would have the guts to commission such a critical study, not to mention publish it when it was completed.

The report takes note of Kenya's excellent annual growth rate of around 6 per cent but adds "unemployment and growth inequality continue and in some respects may even have increased."

Only a select group of people, civil servants, manufacturers and those Kenyans who filled high level jobs previously held by expatriates, or who took over white farms, benefited from the country's rapid economic growth. This same elite has got a grip on the education system, while the poor are finding it increasingly difficult to give their children the necessary schooling needed to break out of the cycle of poverty.

The report suggested a series of changes in government expenditures to remove regional or tribal imbalance. It said:

● (1440)

> Unless strong measures are taken to reduce the impact of these inequalities, the frustrations and resentments they engender could be a real threat to the nation's stability, particularly if allowed to interact with tribalism.

Among the recommendations were: One, a liberalization of transport and trade licensing practices to allow a wider participation in this sector. Two, a new income tax system and wage policy which would give gradual increases to the lowest paid workers but freeze for five years the wages of medium and higher paid employees. Three, a tribal quota for filling civil service jobs to reduce the overwhelming advantage enjoyed in this sector by the Kikuyu Tribe which, as I indicated earlier, is only 20 per cent of the total population. Four, a series of measures to provide greater education and health services, and road, water and economic benefits to the rural peasant who is depicted as the most underprivileged person in Kenya.

Implementation of such sweeping reforms carries the risk of offending important sectional interests, but the cost of dealing with the problem may be much higher once they pass the threshold of what is considered tolerable since the opportunity of dealing with them by rational and consistent methods and by national consensus may be greatly lessened.

The Republic of South Africa encompasses 472,000 square miles, and has a population of more than 22 million and a gross national product per capita second only to oil-rich Libya. It is the most highly industrialized country on the African continent and, from an international trading point of view, the most important.

South Africa's economic and industrial development during recent years has been rapid, and with its manufac-

turing industry developed to a stage where it now accounts for more than 30 per cent of the GNP, the Republic can no longer be considered to have a predominantly agricultural and mining economy. Industrial expansion and the resultant increase in living standards have brought about an increased demand for imports, and enterprising Canadian businessmen should be able to cash in on the upsurge of the South African economy.

South Africa ranks eighteenth among Canada's trading partners and it is also, perhaps more importantly, a major market for Canadian manufactured goods. Fully 91 per cent of our 1971 exports to South Africa consisted of semi- or fully-manufactured goods, and 38 per cent of total exports were end products. This latter figure compares very favourably with the corresponding 1971 figures for Britain, 9.3 per cent; the Common Market, 9 per cent; and Japan, 3.4 per cent. A fact that Canadian businessmen should not overlook is that South Africa represents a $4 billion market. Canada has the capacity to deliver the quality and quantity of a wide range of goods which will fit into this economy, and we should probably be giving greater support to those who are trying to promote trade with this country.

South Africa is a fascinating country, a huge country, with a great variety of topography, from the dry South African veldt to the rich tropical lands in the south. It is a very rich country, and it is today rapidly becoming a modern industrial country.

The city of Johannesburg will compare with any modern city in the Western World. It might be called the Pittsburgh of South Africa. There are great modern buildings of concrete and steel, a thriving population, fine roads and excellent buildings everywhere. Johannesburg is mainly an English-speaking community of about 1,700,000 people. Of this number over 900,000 are black.

It may also interest you to know that the blacks are being moved into separate settlements, and that they have established what they consider the pride of South Africa in what is known as the Soweto settlement, where 900,000 blacks have been moved into a separate settlement outside of Johannesburg.

Hon. Mr. Martin: That is part of the apartheid policy.

Hon. Mr. Cameron: Yes. The homes there represent a high standard, although about 1,600 families of that group still live in appalling slums. But despite the fact that they consider it the pride of South Africa, there were 78 murders in Soweto on Christmas Day, 1972. So that gives you some idea of the tensions which exist inside that country.

Johannesburg is the commercial and industrial centre of South Africa, and is a city that is booming at the present time. Interestingly enough, it was something over 100 years ago that gold was discovered on the site where the Canadian trade commissioner's office now stands and the whole city is underlain with gold mines, some of them going as deep as 12,000 feet. One of the characteristic features of the Johannesburg and surrounding topography is the great slag heaps from the gold mines, some being half a mile long and 200 or 300 feet high. As a result of the rapid increase in the price of gold there is talk of reworking the slag heaps which, even at the price of $62 an ounce, which was in effect when we were there, would give a net return of 60 cents a ton. At a price of $120 an ounce, it would be a very profitable operation.

The economy of South Africa is the most highly developed in Africa, the basis of which is mining, followed by base metals, and supported by cheap coal. The country has no oil but there is a big offshore drilling program presently under way. It is too early to assess what the results are likely to be. South Africa produces quite a bit of uranium and the Africans say they have worked out a system to enrich uranium which is highly secret at the present time, but if they are right, this could be a very important breakthrough as far as they are concerned. The African steel industry is highly developed and efficient. The mining industry is under the control of 10 or 12 huge mining conglomerates. The government runs the steel industry, the radio industry, and will run the television industry when it starts in 1975. The government operations are run by businessmen rather than civil servants, and this may be one of the reasons it displays a measure of aggressiveness and efficiency that is often lacking in publicly owned ventures.

The main problem in Africa is that of markets for their manufactured goods. The population of 22 million is broken down into 16 million blacks, two million coloured, and four million whites. In effect, this means that the main market for manufactured goods is confined to about four million people because of the very low purchasing power of the black community.

The rural or agricultural community is dominated by the Boer farmers, or Afrikaners, who have a history going back more than 200 years. They are a very conservative group, and represent one of the brakes on social progress in Africa. They exercise a tremendous influence on politics, on the church, on the moral standards of the country, and on education. This is well illustrated in the tremendous uproar over the censorship bill which is presently before the South African Parliament. This bill, entitled "The Publications and Entertainments Amendments Bill," has to do with the censorship of films, theatrical productions, dissemination of pamphlets and printed material, and of comments on the radio or in public speeches. The new measure, according to the Cape Town *Argus* of May 11:

> —is yet another Government sortie into the minefield of censorship, into that expanding grey area between what is outright pornography and what is accepted good taste. It is yet another Government attempt to reconcile the realities of the seventies with the demands from powerful people who want to 'protect' traditional values and norms from corruption.
>
> Because of this, the Bill is the result of two conflicting sets of pressures.
>
> The first set of pressures come from people who want a more flexible system, a system that will accurately reflect the changing norms of the White South African society instead of the calcified prejudices of a few self-appointed guardians of public morality.
>
> Opposite pressure comes from the vast reservoir of political, cultural and moral conservatism represented by the three Afrikaans churches, by certain cultural

> organisations and by the politically-powerful Platteland. (The Afrikaans Farmers Organization).

Continuing, the article goes on:

> The Government also has a major axe to grind in that it has been seriously and repeatedly embarrassed by the frequency with which Publications Control Board decisions have been reversed by the courts (with massive accompanying publicity) and by Board judgments which have reflected badly on the Board—and on the Government itself.

In the present climate of South Africa, there are two very interesting phenomena. One is the relative freedom of the press, particularly the English press. This element of the press is hammering the government critically day after day, and this was a refreshing insight into the fact that there are still a great many freedoms in the country. The second phenomenon of major importance is that the judiciary has remained free and independent, and in many cases they have had the courage to give decisions which were opposed to the wishes of the government and to the wishes of the more conservative Afrikaner population.

In discussions with a number of leaders in the country in trying to assess the political situation in South Africa, where the Nationalist Party has been in power for 25 years and is apparently becoming increasingly conservative and restrictive in its approach to matters of public policy, we inquired as to what was the role of the United Party, which is the official opposition. We were told time and again that while the United Party is the official opposition, there is no difference between it and the Nationalist Party on the question of apartheid. In other words, the two main parties in South Africa are in complete agreement and act in concert on the question of apartheid.

● (1450)

One illustration of this is the famous Schlebusch Commission. A church organization was under censorship for carrying out a program of sensitivity training in one of the church training institutions. This became a major issue in the country, and along with this was the question of the banning of student leaders in the universities from being able to take part in public activities or even from going from one part of the country to the other. Because this was a critical issue, the United Party appointed what was known as the Schlebusch Commission from among its own members, and this commission brought in findings unanimously supporting the censorship of the church organization and the banning of students. This decision created a tremendous outcry within the environs of the United Party, and as a consequence the United Party caucus in parliament was called together and they slapped an almost total prohibition on caucus members and other public representatives of the different official United Party bodies from publicly criticizing the party's Schlebusch commissioners and their findings. I think the comment of the spokesman for the United Party caucus, Mr. T. Gray Hughes, the chairman of the caucus, is interesting. Speaking of the decision to ban adverse comment on the Schlebusch Commission, or similar controversial matters, he said:

> The normal rules applicable to policy statements made by public representatives and office bearers of the Party apply in this case. Members of Parliament, other public representatives and members of the various official bodies of the Party may naturally comment publicly on the Schlebusch Commission and its work provided that they do not do so adversely on matters accepted by the Leader in Caucus as set out in the official statements of March 6th and yesterday. If there are dissentient views by office bearers these will be aired through the usual Party channels.

I hope that Senator Martin never reaches the stage where he issues a statement of this kind.

Mr. Hughes' reference to the leader in the caucus is significant because this extends the authority of the caucus decision to cover all other public representatives of the party as well as its office bearers. This stand by the caucus of the United Party speaks for itself, and I think it is an example of the sensitivity of certain elements among the political leadership of the country to any possible dissent.

Another bill at that time before the Parliament of the Republic was the Gatherings and Demonstration Bill, which has the effect of banning gatherings of people and demonstrations within a specified area of the national capital. Mr. M. L. Mitchell, a member of the Assembly, stated that he was supporting the Gatherings and Demonstration Bill which bans protests in a large part of the central city area around the Parliament Buildings. He said that Parliament had the right to protection of its buildings; members had the right not to be disturbed when going to and from the house; officers of Parliament had the right to move freely to and from Parliament; any person had the right to move to and from the house unmolested for any purpose they had in mind.

Mr. Mitchell said, "I don't believe there is anything sinister in this bill." The only surprise he had about this bill was that similar provisions had not been introduced earlier. He accused some newspapers of trying to "prejudice" the issue. One newspaper had said, "M.P.s need to have peaceful protest brought home to them right to their gates." And the *Rand Daily Mail* had commented, "Surely a peaceful demonstration outside the railings cannot detract from the dignity of the proceedings within." "What sort of propagation is this," asked Mr. Mitchell, "that we should have street democracy? The most important way to protest is through the ballot box." Mr. Mitchell emphasized that the ban was only on open-air meetings. Protest meetings could still be held in the City Hall, for example. He added that no one had the right to protest in a public place if their protest interfered with the rights of others. Both Mr. Mitchell and the Deputy Minister of Police, Mr. J. T. Kruger, who introduced the bill, referred to the fact that similar provisions existed in Britain and Belgium. Mr. Kruger said the purpose of the bill was to ensure that the deliberations in Parliament took place without disturbances from outside.

In actuality, the only real opposition in the South African Parliament is a one-woman opposition, in the person of a very able and competent woman, Mrs. Helen Suzman, the Progressive Party M.P. for Houghton. She was the only M.P. to oppose the measure and she moved that the bill be read "this day six months hence"—in other words, give it a six months' hoist. Describing Mr. Mitchell's speech as "the silliest I have heard from him," she said she

did not know that he had felt threatened in all the years he had come to Parliament. She said, "I have always felt perfectly secure. If it was Parliament that they wished to protect, why was the defined area so wide? It takes in the entire city of Cape Town, including the city campus of the University of Cape Town. I cannot recollect any disturbances which have affected us here in Parliament." Referring to the fact that the spokesman for the bill had said it was similar to a British bill, Mrs. Suzman said this was not the case. The British bill applied only to days when Parliament was in session, only to gatherings of more than 50 people, and only to gatherings which actually had the purpose of presenting petitions to M.P.s. But the South African bill applied to any demonstration of any size, even of one person.

Another issue which was exercising the politicians when we were in Africa was the destruction of the printing press of the indigenous, anti-apartheid evangelical Lutheran Ovambo-Kavango Church in the South West African homeland of Ovambo. The building and its equipment was worth about $800,000, and it was destroyed by explosives. There was a very strong suspicion that this plant and the papers printed by it, which were very critical of the apartheid policies of the Afrikaner element of the government, was deliberately sabotaged in order to silence its criticism.

These examples gave a good deal of concern to Canadians. However, the fact that one could read the various points of view on these matters in the English press every day, and one could see that the press was extremely critical of certain government policies, at least gave some encouragement that the press was free. Incidentally, the lesson of Watergate was on everybody's lips and the action of the Washington *Post* was being held up everywhere as an example of the importance of a free press in a democratic society.

The foregoing items which I have dealt with may sound critical of the policies of the South African Parliament, and I think this would be an accurate assessment on the part of the Canadian group who were there. At the same time, one must make allowances for the situation which exists in that country.

Apartheid, which is abhorrent to all Canadians, is a fact of life in that country, and there are really two kinds of apartheid. One is the sort of petty apartheid, which is exemplified by the discrimination against blacks in streetcars, by their banning to separate means of transportation, separate facilities, separate everything, and even separate living quarters. There are many irritants caused by this form of petty apartheid which, a lot of South African leaders are among the first to say, should be done away with. However, in the larger issue of apartheid as a philosophy, in which the white minority refuses to give equality of opportunity, or equal rights, to the black majority, there is no sign of change at the present time. As I said earlier, the United Party and the Nationalist Party, which is the government today, are as one as far as policies concerning the separation of the white and black communities are concerned.

A great deal is being made of the fact that the government of the Republic is encouraging the establishment of what is known as the Bantu homelands. But here again, the program of establishing the black, self-governing communities has so far apparently not met with too great success. There are seven major tribes to be found in South Africa, and there is sometimes friction among them. The Zulus are easy-going, their productivity is very low, and they tend to think that the white employer owes them not only a wage, but clothing, shelter and medical attention.

The average earnings of a Bantu worker in South Africa, particularly in the mining industry and in industry generally, would be about 80 rand per month—the equivalent of $115 in our money. The maids working in the High Commissioner's home would be paid 35 rand per month plus housing, food, and medication. Mrs. Parlour, the wife of our trade commissioner in Johannesburg, said that she even provides the pill for her domestics.

Because the African workers are not permitted to set up communities in South Africa, they are under limited contracts. They can come in from their homelands to work for periods of from six months to two years, after which time they must return to their homelands. This is a very expensive, complicated and inefficient form of labour, but it permits the Republic to treat these people as transients, and to make the case that because they are transients they should return to their homelands and develop their own economy there. Their families live in the homelands. When the worker returns he has saved most of his earnings and, as a consequence, he can live like a king for a while in the simple life of the homeland.

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During the absence of the breadwinner, the family literally live off the land, usually following a very simple agricultural type of life with a few cows, goats or pigs, raising a little mealy or corn. The black workers are allowed to return to their homelands at frequent intervals during the period of their contract, because the South African government is anxious that they maintain some form of family life. As far as the governments of the homelands are concerned, they welcome the fact that the earnings of the workers in South Africa are brought back with them because they provide a source of cash for the economy.

There are no black trade unions in South Africa. Bantus would not be allowed to belong to trade unions. In spite of this, however, they have had a number of strikes, particularly in recent months, even though this is against the law. There were 60,000 on strike in South Africa in early April. There is a growing fear on the part of the white industrial society that if the black community ever becomes militant and organized they could bring the whole African economy to a standstill. Many of the more enlightened leaders in the industrial world are very concerned about this and, as a consequence, they are making serious attempts not only to raise the wages and living conditions of the men, but to provide more training and education.

The government of the Republic has had a great deal to say about the creation of the free and independent homelands. While we were in Africa, the homeland of KwaZulu in Natal Province had the meeting of its first parliament. The KwaZulu leader is Chief Gatsha Buthelezi. On the occasion of the opening of parliament, the first ordinary session of the KwaZulu Legislative Assembly at Nongoma, with the Minister of Bantu Affairs, Dr. Botha, in attend-

ance, Mr. Buthelezi took the opportunity of commenting, according to the *Rand Daily Mail* of May 5:

> I would like to say that the Zulus will not brook interference, no matter from what place it comes.

Chief Buthelezi warned that Zulus were not satisfied with "dummy" independence, and wanted real self-determination, human dignity and freedom:

> It is in the interests of peaceful co-existance on this tip of Africa that we should now share power in this land.

This was overdue in the light of the real freedom and independence enjoyed by Africans on the rest of the continent. The South African Government could ignore the KwaZulu call for a round table conference on the land issue only at the peril of the whole of South Africa.

Although he made no specific reference to related consolidation proposals for KwaZulu, Chief Buthelezi said Zulus were unhappy at the government's uncompromising attitude on the basis of consolidation relating to KwaZulu. The reference here is to the fact that the Republic government is attempting to move the Bantu out of white areas and consolidate them in concentrated areas where there would be no whites. What this has done, however, is to leave the map pockmarked with small pockets of blacks and whites mixed together, and it is a most unhappy situation. The government is trying to remove this discontent by removing the blacks from the white areas entirely and consolidating them in their homelands on black enclaves.

Speaking at the opening of the first meeting of the KwaZulu Legislature, Chief Buthelezi declared his determination to lead the African people to full freedom and human rights, if possible without any bloodshed. He said he hoped Afrikaners would have the grace and understanding to accept that he and African leaders, like Chief Kaiser Matanzima of the Transkei, would not rest until they had full freedom and full human rights:

> At least my government and I are determined to find a solution without any bloodshed. This may be a long way off, or quite near, depending entirely on us.

Chief Buthelezi said that once the African people had a measure of economic power, their battle would be half won:

> More than 60,000 of our people have shown during the recent labour unrest what unity can achieve. Poor as we are, we almost control the economy of this country. It is for white South Africa to meet us because we have no intention of disrupting the economy of our country.

May I just interject here that they have no unions. They have not declared, appointed or elected, trade union leaders, because if they did these people would automatically be clamped in jail. There is a large group of people acting in concert with no declared leaders, but this is the kind of protest organization that is developing there today.

Continuing, he said:

> We appreciate that, although we are at present getting only crumbs and the lion's share goes to white South Africa, those crumbs from the master's table keep us alive. I appeal to white South Africa not to force us by her attitude to disrupt the economy of our country.

This statement, by one of the leading chiefs in the homelands governments, is typical of that being made by many others—and there are seven homelands governments today—and is symptomatic of the rising discontent with the status quo which is to be found everywhere in Africa.

The discontent among the Bantu people is emphasized in an address by a leading economist, Professor Jan H. Lange, of the University of the Free State, speaking at a seminar organized by the National Development and Management Foundation, when he warned that unemployment among Africans was rising at the rate of 100,000 a year, and he said he shuddered to think what could happen if employment opportunities were not increased. Professor Lange said that industrial development in the homelands had to be stepped up at a greatly increased rate, and that transport had to be improved. He indicated that the latest figures showed that 6.9 million Africans were living in the homelands, and 7.5 million in the white areas. He suggested that on the basis of one per cent of the African population entering the labour market every year, it meant that 69,000 new jobs had to be found in the homelands each year and 75,000 outside these areas. However, since 1960 fewer than 15,000 industrial jobs had been created in the homelands and border areas. Professor Lange indicated that, while he did not have the latest figures, those he did have indicated that fewer than 40,000 new jobs were created every year in the industrial sector, indicating an annual increase in African unemployment or under-employment of more than 100,000:

> The seriousness of this is clear if the potential political and security implications are considered. Social scientists say that economic expectations and political sensitivity increase with the increasing literacy of a people.
>
> Knowing this—that the literacy and general enlightement of both the urban and platteland Bantu is increasing uninterruptedly—a person cannot but shudder to think what will happen if the increasing unemployment among the Bantu is not ended.
>
> My personal opinion is that the days in which White South Africa could argue about who was responsible for creating employment for the Bantu are gone for all time. The only question which remains is: What is the most effective way to create work opportunities in the homelands?

One way would be to extend the system of subcontracting. But here the transport problem is serious. Some promising undertakings had already been forced to close their doors because of difficulties with transport concessions.

Related to the unemployment situation and the unrest which is associated with it is the fact that leading African business organizations are beginning to respond to the needs, and are attempting to ameliorate the situation by raising wages. For example, on May 10, the Stellenbosch Farmers' and Wine Tasters' Association urged its members to pay farm labourers the equivalent of at least 3 rand a day—approximately $4 a day in our money—or run the risk of being outbidden on a turbulent labour market. This

statement was issued by Mr. Louw, who was a member of the Nationalist Party, and he is quoted as saying:

> Many farmers in this country are not fair to their farm labourers. Like some industrialists, they exploit their workers. Fortunately, they are in the minority.

Two days later some 500,000 workers, about half of them Afrikaners, in the commercial distributor trade were granted wage increases according to a wage board determination published in the *Government Gazette.* These increases came about after threats by branches of the National Union of Distributor Workers to strike unless the determination was released.

Under this new scale of wages, qualified shop assistants get 95 rand a month, compared with 82 under the 1968 determination, and 88 rand a month after an adjustment beginning in 1972. During the first year, a learner shop assistant will get 72 rand per month, compared with 48 in 1968, and 63 from January 1972. A female sales assistant in the first year will get 81 rand a month, compared with 48 in 1968, and 63 from the beginning of last year. Qualified sales assistants have been raised to 116 rand per month, compared with 82 and 96. Male sales assistants will start at 85 rand per month, and after qualifying will get 170 rand a month.

An interesting sidelight on the pay situation is the way other countries than South Africa have been taking advantage of the blacks by paying lower wages. The Cape Town *Argus* of Friday, May 11 said:

> The National Union of Seamen (of Great Britain) has decided to press for equal pay for all merchant seamen on British ships. This would end the situation exposed last month by the case of the Zulu seamen where British seamen earn more than four times as much as their Asian and African counterparts in the same ship.

There are some shocking stories about some of our own good Canadian companies, such as Bata. We read in last night's Ottawa *Citizen* the low wages they are paying to their black workers. I may say, I visited this particular plant. Again, the blacks are so illiterate that, not being organized, they do not know the facts of life, so there is no discontent in this particular factory, but it would be a good place for any trade union organizer to go.

One of the positive signs of change in Africa is that many South African businessmen and industrial leaders are calling, not only for payment of higher wages to the Bantu, but also for a step-up in the training program so that the productivity of the Bantu workers can be increased.

South Africa is suffering from a very high degree of inflation, up to 16 per cent, it has been said in the first three months of 1973, and this is causing a great deal of concern. Business leaders, such as Mr. Jan de Necker, the outgoing president of the Afrikaanse Handelsinstituut, in an address to 600 of the country's leading Afrikaner-controlled businesses, said that the high rate of inflation was causing concern and it was vitally important that it be brought under control. He stated:

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> In my opinion the solution to the present inflation problem is greater growth. Faster growth and greater profits will in the present circumstances enable enterprises to absorb increased costs more easily.

He said he thought faster growth depended on increased productivity, and a closer study of South Africa's growing untrained labour force would indicate many labour situations where productivity could be improved.

Mr. de Necker emphasized the need for adequate training and said that responsibility for this fell squarely on every employer, but that it was also important to maintain salaries and wages at a level with productivity. Referring to labour unrest and increases in African wages, he said everyone wanted to see blacks enjoying a better living. It was important to understand that blacks were not yet entrepreneurs and employers and it was still the responsibility of the whites to ensure that the blacks had employment and a means of earning a living.

I might say here that if you take the case of a man working in the gold mines, he is getting about $115 a month, plus room, food, medical care and so on. The room is not particularly good, because these will be married men with wives who live several hundred miles away. These men live 20 to a bunkhouse, just as the threshers did here years ago. Then they go home every three or four months to their three or four wives and 20 kids.

The foregoing discussion presents some of the problems that are exercising the minds of the leaders in both black and white Africa today. However, to get away from problems for a time, I would like to spend the next few minutes discussing some other aspects of the life in South Africa.

We spent some time at the South African Standards Bureau which is a magnificent complex engaged in most sophisticated and progressive programs aimed at promoting the standardization of equipment and materials. This Bureau of Standards maintains 54 laboratories with testing equipment to the value of three and a half million rand, which would be nearly $5 million, staffed by over 600 scientists and technicians. The objects of the bureau are to promote standardization in industry and commerce; to prepare, frame, modify or amend specifications and codes of practice; to provide facilities for the testing and calibration of precision instruments, gauges and scientific apparatus; to provide facilities for the examination and testing of commodities and any material or substance from or with which they may be manufactured, produced, processed or treated; to control the use of standardization marks and distinctive marks; to encourage or undertake educational work in connection with standardization; to assist state departments, public bodies and local authorities in the preparation of any specifications or codes of practices; to co-operate with industry, state departments, local authorities or public bodies or any persons with a view to bringing about standardization in connection with commodities. This is a first-class establishment by any standard, and it is making a vital contribution to the high quality production in many lines of industry in South Africa.

The gold mining industry is one of the main props of the South African economy, and it is interesting to note that many Canadians are playing a leading role in it. Mr. J. F. Goode, a graduate of McGill, is the president of the South African Bureau of Mines. He is also the general manager

of the Marievale Gold Mines, about 40 miles out of Johannesburg. We had the privilege of spending a long half day at the Marievale Gold Mines. This is a relatively shallow mine, being only 3,200 feet deep, as against some of those which are 12,000 feet deep in Johannesburg. Mr. Goode and his staff gave us a first-hand demonstration of some of the problems the industrialists face in employing large numbers of unskilled black workers.

For example, there is a tremendous turnover in the labour force, not only in the mining industry but in others as well. The Portuguese government has contracted to supply 100,000 men per year from Mozambique and related areas outside of South Africa. On the other hand, the State of Malawi supplies another 100,000 from the north. These people usually come in under contracts of from 15 months to two years. Those from the Republic of South Africa usually have a two-year contract, and the company pays their transport both ways. The reason for the limited contracts is: First, to avoid setting up normal homeland communities around the mines or industries, where the families would live and multiply; secondly, by treating the workers as transients, they are required to return to their homelands at the end of whatever period their contract calls for. Their passports are stamped, and they cannot return if they commit a misdemeanor of any kind. As a result, these people do not acquire any status as citizens in South Africa.

The Marievale Gold Mines employ 4,400 workers, of which 400 are whites and the rest blacks. The blacks come mainly from seven tribes and—something that most of our group had not thought about—the first thing the company had to do was to train these people in a common language. In other words, they came from their homelands speaking seven different dialects or languages, but in order to have an efficient operation in the mines it was essential that everyone, both whites and blacks, speak the same language so that there would be proper communication. Therefore, the first thing that is done when the new group of workers comes in, whether it be from Malawi, Lesotho, Basutoland, Swaziland, or Transkei, is literally to send them to school to learn a new language, a common language, Phalagalo. This is the *lingua franca* of the Bantu miners, a mixture of English, Afrikaans and Zulu. Blacks and whites have to learn this language, because it is the only means of communication in the mines.

The mine management also has very carefully worked out methods of psychological testing in order to determine the aptitudes of these chaps who have come from the bushlands into an industrial society. They have a system, similar to what we would use in some of our industries, of psychological testing and evaluation. They bring the Bantus in from 16 years of age upwards and they rate these people on a scale from one to 13. Those who rate from one to five are mechanically minded, and those who rate from six to 13 would be less suitable for that kind of work.

After learning the language, men are then put through varying kinds of drills in order to test their qualities of initiative, leadership and capacity to carry out a program of work. For example, we were shown a group of six Bantus who had been brought in and had taken the training for a period of three months, and who were now ready to take the aptitude tests to see what they were going to do. We were taken outside to a large concrete circle, about three feet high and about 30 feet in diameter. There was a series of wooden platforms of different shapes and sizes which, if properly put together, could be fitted into this circular framework. These six men were given ten minutes to put the sort of Meccano set together. They were told what they were to do and then the time clock started running, and it was up to them to put the pieces together. They immediately started to put some pieces in, but when half the time was up it was obvious they were not going to get the pieces together. They then talked and argued amongst themselves for a time, and it looked as if one of them was going to show some capacity for leadership and direct the others, but after about seven minutes they simply quit and gave up. On asking what would happen to these men, who obviously failed this particular test, we were told they would be "lashers," which is the lowest form of life in the mines. They would be the fellows who lie on their sides in a 36-inch seam and shovel the rock out into the cars to be taken out of the mines.

This is just one example of the problems of getting a productive labour force. It is said that at the present time it takes about three black Africans to equal the output of one white man. So, even though the wages may be low, the actual gross cost is pretty high. Productivity is low, and with the training period and the rapid turnover, cheap labour does not come out so cheaply.

In view of the fact that Canada imports a substantial amount of sugar from South Africa, our group had the privilege of visiting the South African sugar industry, which is unusual in the sense that the agricultural and manufacturing sectors are closely integrated. These operate through two separate representative organizations—the South African Cane Growers Association, representing the producers, and the South African Millers Association, representing the manufacturers, and the two make up the South African Sugar Association.

The South African sugar industry represents an investment of 500 million rand, which is between $750 and $800 million. It consists of 8,327 farmers, 20 sugar factories, and 170,000 employees. Mr. Anson Lloyd, the chairman of the South African Sugar Association, was more than kind in showing the group through the entire sugar operation and then entertaining them to lunch. I think it is true to say that this sugar operation is one of the most efficient, well-organized, scientific and businesslike organizations not only in Africa but in many other countries. It was certainly another example of a high quality industrial complex, similar to the fine introduction we had to South Africa's industrial approach in the Bureau of Standards.

After leaving the sugar establishment the group spent the weekend in Durban, which is the most Indian city in South Africa. The greatest proportion of Indians anywhere is to be found in this community. It is a beautiful area, and is organized with a typical Indian emphasis on business acumen and solidarity.

From Durban we flew to Cape Town, the main capital of South Africa. I should say here that the capital is in two parts. The official capital where the administrative offices are located is in Pretoria, about 40 miles from Johannesburg, but the capital where Parliament meets is on the

very southern tip of Africa, 1,500 miles south in the lovely city of Cape Town. While there we had the good fortune to meet a number of the top government leaders and members of the Chamber of Commerce, such as the Honourable Dr. Diederichs, the Minister of Finance, who has been a member of the government for 25 years. He gave a fascinating address of over one hour's duration, and then answered questions for a considerable time.

Dr. Diederichs said that in 1971, South Africa devalued its currency because its foreign trade balances were falling rapidly. This was the first problem. The second problem in 1971 was a deterioration in terms of trade—that is, trade balances, or the difference between exports and primary products. Their main exports were agricultural commodities, gold, copper and diamonds. Export prices fell and the cost of imports increased as much as 23 per cent in one year, and this caused a good deal of concern in the country.

In December 1971, the Smithsonian Agreement brought about United States devaluation, and South Africa devalued by 12¼ per cent. By the first week in 1972, the reserves had increased very quickly and every week since then the position has improved. The deficit at the end of 1971 was 1,500 million rand and since devaluation the deficit has been wiped out in one year. The reserves today are 1.2 billion rand, calculated at a price of $42 per ounce of gold. If you take it at the current price of about $120 an ounce, it will be seen that the reserves are over three billion rand.

Dr. Diederichs said that the rate of growth in South Africa in 1971 was 4.8 per cent, and they did not regard this as satisfactory because of the rapid population growth of 3 per cent per year. The time has now arrived to take positive steps to stimulate the economy.

The third major problem in South Africa is inflation. The inflation rate in South Africa is very high, averaging 6 per cent. In 1973 inflation is averaging 10 per cent, but in the first three months it was running at 16 per cent.

● (1520)

They do not believe in fighting legislation by restrictive price controls; rather, they hope to lick inflation by stimulating productivity. Their productive machine is capable of producing another 20 per cent above what it is doing at the present time, and they hope to achieve this increased productivity. Imports are almost a quarter of the GNP. Import inflation is running from 6 to 12 per cent per year. Inflation has also been caused by an increase in the price of food. The situation was aggravated by the most severe drought in recent times. Dr. Diederichs feels that 12 per cent inflation will have been worked through by the end of this year.

In looking to the future, Dr. Diederichs said he was optimistic for several reasons. First, Africa has a very rich supply of minerals. Second, they have sufficient mineral and agricultural resources to put all of the people to work. Third, South Africa has the capital. It is almost independent of outside capital, although it still does import a small amount. Fourth, the entrepreneur-capital partnership cannot be productive without trained manpower and high skills, and recently South Africa has been putting an increased emphasis on training more skilled workers. And, fifth, South Africa faces the problem of providing a more effective machinery for marketing their products.

Most of the revenue comes from income tax, but less than 10 per cent of the population pays income tax. Six per cent of the population pays 60 per cent of the tax. All income above 28,000 rand is taxed at 66 per cent. The corporation tax is 41 per cent, and they have succession duties which start to bite at the stage of 300,000 rand. There is an abatement against this of 25,000 rand for each child.

South Africa's greatest expenditure is for defence which takes approximately 3 per cent of the GNP. The second largest expenditure is on the Department of Bantu Affairs, and the third largest is on water resources. The provincial governments within the South African Republic get 80 per cent of their income from the federal government.

While in Cape Town we were received very courteously by the Vice-President of the Senate, the Honourable D.H. Potgieter, and by the Honourable Bernhardt Muller, Chief Whip of the government party in the Senate. These gentlemen were kind enough to take us through the Parliament Buildings to show us the house in session, and to give a general explanation of the views of the South African government. Similarly, we had a very lively exchange of ideas with the South African Chamber of Commerce in Cape Town, under the leadership of Dr. William Grant, in which the South Africans pulled no punches and the Canadians replied in kind, but it was all in good humour.

They say, "You Canadians come over here and talk about our apartheid and complain about our legislation." Actually, we did not do that. They asked, "What about Watergate? What about the fact that you cannot walk down a street in New York after eight o'clock in the evening?" This is the kind of contrasting comment they make when they think we are being critical of them.

Everywhere we went in South Africa we were met with kindness and magnificent hospitality. The people were friendly. The visit of a Canadian group of businessmen, knowledgeable in their own fields, who were able to meet their counterparts in South Africa, provided the kind of exercise in international understanding which is exceedingly valuable.

Those of us who went to Africa, while not changing our minds about some of the things we did not like, came back with a new appreciation of some of the difficulties the South Africans have to face in taking a huge black population and literally bringing it out of the 17th century into the 20th century industrial society. This cannot be done in a short period of time. It will require a long and intensive period of education. Tolerance and understanding are necessary for it to work. The impression we came away with is that the responsible leaders in South Africa, particularly the English-speaking members of the community, were aware of the dangers of the present situation.

The Afrikaner population, which comprises 65 per cent of the white population, is more isolated, but at the same time it is more homogeneous. The Afrikaners want to preserve the status quo, and in this respect they are supported by the three Afrikaner church organizations, by their farm organizations, and by the Afrikaner press.

Interestingly enough, when we realized the way the English press was free to criticize government policies and government actions, we wondered what was the situation in the Afrikaner press. The Afrikaner majority of the white population is united almost to a man in the pursuit of the present policies of the Republic. They believe in apartheid, and are trying to compensate for this by establishing the Bantu homelands and the local governments in those homelands. But in spite of the fact that this has been going on for some years, the general consensus is that the homelands program is not working.

Canadians would be unhappy with the degree of censorship, with the authority the government exercises to ban people from participating in meetings, from travelling from one part of the country to the other, and of putting them in jail without trial. This goes against our accepted standards. Nevertheless, against this, the Republic of South Africa is a rich, viable and modern community whose industrial operations compare favourably with the most modern in any other part of the world.

The great danger, as an outsider sees it, is that the tensions building up because of the basic policy of apartheid, under which the black majority is deprived of basic rights, are a powder keg which could blow up at any time with disastrous results for all concerned. Fortunately, many of the leaders, both white and black, realize the dangers of this, and are trying, through a process of education, through a process of communication, to emphasize to all concerned that the changes which all people would like to see come about cannot be brought about in a short period of time, that changes on such a massive scale cannot be brought about in the space of a few years.

It is the hope of all well-meaning and informed citizens that they will have the time to moderate and modify the programs which are presently in effect with a view to giving greater rights to the huge black majority. The situation is aggravated by the fact that South Africa's black neighbours who surround her are hostile, and there are constant incidents which tend to inflame the situation. It is to be hoped that sanity and common sense will prevail on all sides, and that this great and rich country can, with the understanding of neighbours from abroad, work through to the kind of solutions that will meet the aspirations of all of the people.

The trip was a most interesting and valuable adventure in international understanding, and every Canadian who participated in the trip has come back with a greater understanding, more tolerance, and a greater appreciation of the complexity of the problems which have to be faced.

It would not be right to conclude this discussion without paying a tribute to Canada's foreign service officers in each of the countries we visited, because they added greatly to the success of the tour.

It was through the dedicated preparations of people like Mr. James Barker, our High Commissioner in Tanzania, and his staff and his charming wife, that our visit there was so successful. In Kenya, Mr. Olivier and his staff went to great lengths to make sure we had the opportunity of seeing the people we wanted to see, and making the most of our time in the short period we were there. In Johannesburg, Mr. Roger Parlour and his staff succeeded in arranging a most valuable program for us. Without their help we would have missed many of the things that will be of great value to us. In Cape Town, Ambassador Campbell and his staff did everything possible to make our visit pleasant and successful. We owe each and every one of our Canadian foreign service officers a great debt of gratitude for not only their help but the manner in which they represent Canada with credit to themselves and to their country.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Judges Act.

An Act to amend the National Housing Act.

An Act to amend the Pension Act.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1974.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, July 3, at 8 p.m.

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

Abbott, Hon. D.C., P.C., Puisne Judge of the Supreme Court of Canada
Royal assent, 439

Acadians
Historical background, 91-93
L'Evangeline article, 93
Members of Parliament, 92

Acts assented to during the Session

PUBLIC ACTS

Chapter — *Bill No.*

January 31, 1973

1. Pilotage Act amendment C-127

February 8, 1973

2. Unemployment Insurance Act 1971 (No. 1) amendment C-124

February 23, 1973

3. Appropriation Act No. 1, 1973 ..... C-141

March 29, 1973

4. Appropriation Act No. 2, 1973 ..... C-166
5. Appropriation Act No. 3, 1973 ..... C-167
6. Electoral Boundaries Readjustment Act (Lachine-Lakeshore) C-31
7. Electoral Boundaries Readjustment Act (Waterloo-Cambridge) C-156

Acts assented to during the Session – *Continued*

PUBLIC ACTS – *Continued*

Chapter		Bill No.
	April 5, 1973	
8.	Old Age Security Act amendment	C-147
9.	War Veterans Allowance Act amendment	C-148
	April 18, 1973	
10.	Customs Tariff Act (No. 1) amendment	C-172
11.	Emergency Gold Mining Assistance Act amendment	C-130
12.	Excise Tax Act (No. 1) amendment	C-171
13.	Export Development Act amendment	C-3
14.	Income Tax Statute Law Act (No. 1) amendment	C-170
15.	Public Service Staff Relations Act amendment	C-179
	June 28, 1973	
16.	Appropriation Act No. 4, 1973	C-204
17.	Judges Act amendment	C-177
18.	National Housing Act amendment	C-133
19.	Pension Act amendment	C-202
	July 27, 1973	
20.	Aeronautics Act amendment	C-188
21.	Canada Wildlife Act	C-131
22.	Customs Tariff Act (No. 2) amendment	C-195
23.	Electoral Boundaries Readjustment Suspension Act	C-208
24.	Excise Tax Act and Excise Act (No.2) amendment	C-194
25.	Fisheries Development Act amendment	C-4
26.	Harbour Commissions Act amendment (Nanaimo Harbour Commission)	C-21
27.	Immigration Appeal Board Act amendment	C-197
28.	Immigration Laws and Procedures Act	C-212
29.	Income Tax Act (No.2) amendment	C-192
30.	Income Tax Act (No.3), statute law relating to, amendment	C-193
31.	Olympic Summer Games (1976) Act	C-196
	August 31, 1973	
32.	Maintenance of Railway Operations 1973 Act	C-217
	September 14, 1973	
33.	Crop Insurance Act amendment	C-129
34.	Family Allowances Act and Youth Allowances Act amendment	C-223
35.	Old Age Security Act amendment	C-219
36.	Supplementary Retirement Benefits, statute law relating to, Amendment Act 1973	C-220

Acts assented to during the Session – *Concluded*

PUBLICS ACTS – *Concluded*

Chapter		Bill No.
	December 5, 1973	
37.	Cooperative Credit Associations Act amendment	C-183
38.	Criminal Law Amendment (Capital Punishment) Act	C-2
39.	Customs Act amendment	C-189
40.	Electoral Boundaries Readjustment Act (Mississauga)	C-222
41.	Canada Pension Plan Act (No. 2) amendment	C-224
42.	Electoral Boundaries Readjustment Act (LaSalle-Emard-Cote Saint Paul)	C-228
43.	Electoral Boundaries Readjustment Act (Ottawa-Vanier)	C-232
44.	Family Allowances Act, 1973	C-211
45.	Federal-Provincial Fiscal Arrangements Act, 1972, Federal-Provincial Fiscal Revision Act, 1964, Income Tax Act amendment	C-233
46.	Foreign Investment Review Act	C-132
	December 21, 1973	
47.	Appropriation Act No. 5, 1973	C-239
48.	Parole Act amendment	C-191
49.	Residential Mortgage Financing Act	C-135
	January 14, 1974	
50.	Protection of Privacy Act	C-176
51.	Election Expenses Act	C-203
52.	Energy Supplies Emergency Act	C-236
53.	Oil Export Tax Act	C-245

LOCAL AND PRIVATE ACTS

Chapter		*Bill No.*
	July 27, 1973	
54.	Centre Amusement Co. Ltd. Act	S-6
	December 21, 1973	
55.	National Dental Examining Board of Canada Act	S-7

Address in reply to Speech from the Throne

Consideration of Speech from the Throne, motion for, 11; termination of Address in reply, motion for, 14-15; engrossing of Address in reply and presentation to Governor General, motion for, 159

Motion for Address in reply, Hon. Henry D. Hicks, 16-23; seconded, Hon. Paul C. Lafond, 23-27

Address in reply to Speech from the Throne – *Concluded*

Speakers: Honourable Senators

Argue, Hazen, 128-34
Asselin, Martial, 120-5
Belisle, Rheal, 44-47
Bourget, Maurice, 154-7
Buckwold, Sidney L., 63-67, 68-69
Burchill, G. Percival, 96-98
Cameron, Donald, 69-76
Carter, Chesley W., 82-85
Connolly, John J., 125-8
Denis, Azellus, 120-5
Desruisseaux, Paul, 60-63
Everett, Douglas D., 88-90
Flynn, Jacques, 29-33
Forsey, Eugene A., 111-15
Goldenberg, H. Carl, 104-7
Graham, Bernard Alasdair, 134-8
Grosart, Allister, 150-4
Hicks, Henry D., 16-23
Inman, F. Elsie, 107-11
Kinnear, Mary E., 138-40
Lafond, Paul C., 23-27
Laing, Arthur, 146-50
Lapointe, Renaude, 76-79
Lawson, Edward M., 98-100
Macdonald, John M., 93-96
Manning, Ernest C., 79-82
Martin, Paul, 33-38
McIlraith, George, 47-52
Michaud, Herve J., 90-93
Norrie, Margaret, 157-9
O'Leary, M. Grattan, 56-60
Quart, Josie D., 38-39
Rowe, Frederick William, 40-44

Adjournments

Easter, 566
Summer, 970, 985

Aeronautics

Costs of implementing legislation, 967-8
Hijacking, 967
Screening of passengers, 967
Speakers: Honourable Senators
Goldenberg, H. Carl, 967, 968
Grosart, Allister, 967-8

Aeronautics bill C-128. 1r, 966; 2r, 967-8; 3r, 968; r.a., 969

Agreements, conventions and treaties

Aircraft, Convention on International Recognition of Rights in, 772, 773
Ecological-Environmental Treaty, 373
Vietnam Cease-fire Agreements, 118-20, 169-70, 217-24, 226-8, 350-1, 418-22, 429-39, 504-5, 542-611, 665-6, 671-2, 829-30

Agriculture

Crop insurance, 299-300; Saskatchewan, 299-300
Crop losses, compensation for, 235, 294, 299
Freight rates, 68-69, 95
Grain sales, transportation and distribution costs, 25
New Brunswick, Kent Co., problems of, 129

Agriculture, Standing Senate Committee

Agricultural industry, motion to authorize committee to examine any aspect of, 275-7, 286; amdt re expenses, 293; agreed, 293; budget, 504
Meetings during adjournments of Senate, authority for, 313
Moncton meeting agenda, 674

Agriculture, Standing Senate Committee – *Concluded*
Reports
Canadian Federation of Agriculture, members appearing before com, 407
Farm Improvement Loans bill S-5, rep without amdt, 674
Interim report, 1402-3, 1407-11

Air Canada
Aborted landing at Ottawa airport, 1208, 1245, 1269-70, 1490-1
Rotating strikes by machinists, 684
Toronto airport, tunnel and bus service, costs of, 1270

Aircraft registry
Aircraft Convention, International Recognition of Rights in, 772, 773
Claims, priority of, 772
Notice of interest, 773
Passenger safety, 772
Registry, 772
Sale of aircraft only with order of superior court, 772
Speakers: Honourable Senators
Choquette, Lionel, 773
Lapointe, Renaude, 771-3

Aircraft Registry bill S-9. 1r, 750; 2r, 771-3; ref to com, 773; rep without amdt, 795-6; 3r, 809

Aird, Hon. John B.
Committee of Nine, appointment to, 350
European Community, 867-80
Canadian relations with, 238-40
Community information office in Canada, 868
GATT, multilateral trade conference, 868
Investments by Canada in UK and EC, 868
Trading pattern of Canada with EC, 868; primary and resource products, 868
Foreign Affairs, Standing Senate Committee
European Community, budget re study of, 214; rep of com, 867-80
Pacific Region, budget re study of, 214
Interparliamentary Group, Canada-United States, 15th annual meeting, 519-22, 527-9
International monetary reform and energy policies, 520-1
US trade bill, 520, 521-2
Vietnam, International Commission of Control and Supervision, 542

Air piracy
Hijacking and terrorism, protection against, question, 1383-4
Resolution adopted by North Atlantic Assembly, 375

Alberta Legislature representatives, visitors to the Senate, 683-4

Anik II of Telesat Canada, launching at Cape Kennedy, 630-1, 640-3, 681-2, 827-9
Speakers: Honourable Senators
Buckwold, Sidney L., 682
Grosart, Allister, 630-1, 641-3
Martin, Paul, 681-2
Molgat, Gildas L., 827-9

Appendixes

Agriculture Committee, interim report, 1407-11
Appropriation bill No. 1, 1973 C-141, statement from Justice Dept., 523-6
Canadian National Railways, derailments involving expenditures of $50,000 or more for fiscal year 1970-71, 582-3
Commonwealth Parliamentary Association, 18th general conference, 392-4
Criminal Code bill C-2 (Capital Punishment), proposed amdts, 1206-7
Defence expenditures of NATO countries (1949-72), 462
Echeverria, Luis, President of Mexico, address to both Houses of Parliament, 454-9
Addresses by Senate Speaker Muriel McQueen Fergusson, 459-60; by Commons Speaker Lucien Lamoureux, 452; by Prime Minister Pierre Trudeau, 452-4
Education, post-secondary schools and universities, statistics re
Estimated total and per capita values of transfers to provinces under the proposed conversion formula (1974-75 – 1978-79), 616
Full-time enrolment in post-secondary schools, by provinces, (1966-67 – 1973-74), 612
Illustration of working level of formula, 617
Population aged 18-24 by provinces (1966-84), 615
Value of post-secondary education eligible operating expenditures and fiscal transfers, by province, (1967-68 – 1973-74), 613-14
Election expenses, Statutes of Canada concerning electoral matters, 1421-6
Energy resourses
Canadian oil supply (current) and demand fact sheet, 1155
Exports of crude oil and equivalent to US, 1154
Estimates, dollar items in Supplementary Estimates (A), 1332-6
Estimates year ending Mar. 31/73 Supplementary (A), rep of com, 211-13
Questions asked in committee and answers given by Treasury Board representative, 235-7
Estimates year ending Mar. 31/73 Supplementary (B), rep of com, 385-91
Estimates year ending Mar. 31/74, rep of com, 761-3
Estimates year ending Mar. 31/74 Supplementary (A), rep of com, 1220-4
European Community meeting, 632
European Force improvements in 1973, 461
Export Development Corporation, structure, policy and operations, 724-35
Foreign investment in Canada, 873-9
Senate recommendations and Commons amdts re bill C-132, 1239-40
Gandhi, Madam Indira, Prime Minister of India, address to both Houses of Parliament, 756-9
Addresses by Senate Speaker Muriel McQueen Fergusson, 759; by Commons Speaker Lucien Lamoureux, 759-60; by Prime Minister Pierre Trudeau, 756
Government expenditures (all levels) as a per cent of GNP 1961 and 1971 (National accounts basis), 793
Income Tax bill C-192, rep of com, 834
Income Tax bill C-193, rep of com, 847-50
Interparliamentary Group, Canada-United States, 15th annual meeting, 527-9
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 949
Interparliamentary Union, 60th annual conference, Rome, Italy, 337-49
Leger, Right Honourable Jules, P.C., Governor General of Canada
Address by Prime Minister Trudeau and reply by Governor General Leger, 1519-20
National accounts of selected OECD countries (1968), 794
Newfoundland Book of Remembrance, speeches at dedication of, 1062-6
Olympic Summer Games (1976), letters to Prime Minister Trudeau from Prime Minister of Quebec, Mayor of Montreal, and Chairman and Commissioner General, 971-2
Penitentiaries
Inmates authorized temporary absences, 1972 statistics, 176
Inmates deaths in federal institutions, 1972 statistics, 177-8

Appendixes — *Concluded*
Public Works Dept., Art Advisory Committee, 1241-4
Standing Committees members, rep of Selection Committee, 116-17
Tax ratio in OECD countries (Average 1968-70), 423
Vietnam, Notes for statement in Commons by Secretary of State for External Affairs on Canadian participation in International Commission of Control and Supervision, 671-2

Appropriation bill No. 1, 1973 C-141. 1r, 280-1; 2r, 291, 293-307; ref to com, 307-8; rep of com, 309; 3r 309-12; r.a., 314. See also 504, 523-6

Appropriation bill No. 2, 1973 C-166. 1r, 395; 2r, 410-16; 3r; 425; r.a., 439

Appropriation bill No. 3, 1973 C-167. 1r, 395; 2r, 416-18; 3r, 425; r.a., 439

Appropriation bill No. 4, 1973 C-204. 1r, 777; 2r, 777-80, 793-4; 3r, 797; r.a. 808

Appropriation bill No. 5, 1973 C-239. 1r, 1317; 2r, 1329-31, 1332-6, 1357-8, 1363-5; 3r, 1374-5; r.a., 1404

Argue, Hon. Hazen
Address in reply to Speech from the Throne, 128-34
Agriculture, Standing Senate Committee
Agricultural industry, motion to authorize committee to examine any aspect of, 275-7, 286; amdt re expenses, 293; motion as amended agreed, 293
Canadian Federation of Agriculture, members appearing before committee, 407
Interim report, 1402-3, 1407-11
Terms of reference, 275-7, 286, 293, 422
Appropriation bill No. 1, 1973 C-141, 298-300
Appropriation bill No. 5, 1973 C-239, 1374
Cooperative Credit Associations bill C-183, 1111-12
Criminal Code bill C-2 (Capital Punishment), 1076, 1081-3, 1104, 1181-4, 1206-7
Amdts, 1182-4, 1206-7 (m defeated)
Hanging of innocent persons, 1082
Montreal Gazette editorial, 1083
Parole statistics, 1181
Senate role in amending bill, 1083
Total abolition, 1083
Estimates, 235, 298-300
Crop insurance, 299-300; Saskatchewan, 299-300
European Community, 239-40
Family Allowances bill C-211, 1306, 1307, 1319-20, 1353-4
Comfort allowances, 1319
Deficiencies in provincial administration, 1307, 1319
Foster parents, 1307, 1308
Minister's discussions with provinces, amdt proposed, 1353-4
Health, Welfare and Science Committee, work commended, 481
Legislation, delay in receipt of bills from Commons, 298-9, 365
National unity, 129
New Brunswick, Kent Co., agricultural deficiencies, 129
North Atlantic Assembly, 18th annual session, 371-6
Air piracy, 375
Challenges of Modern Society Committee, 373

Argue, Hon. Hazen – *Concluded*
North Atlantic Assembly, 18th annual session – *Concluded*
Committee of Nine, 375
Data bank for parliamentarians, 375
Delegates from Senate and Commons, 372
Ecological-Environmental Treaty, 373
European Security and Cooperatives Conference, 373
Fishery resources of Canada, exploitation of, 373-4
Mutual and Balanced Force Reduction Conference, 373
Radio Free Europe, allocation of costs for, 374
Technological development, 373
Old Age Security bill C-147, 467-9
Allotment of income to nursing homes, 468
Guaranteed income at 60 yrs. or because of misfortune, 467
Provincial 'comfort' allowances, 468
Rules of the Senate, 'Parliamentary Practice' excerpts from, 1183
Senate parking area, 1144
Senate speeches, lack of newspaper coverage of, 129
Social security, 129-34
Budget standards for basic needs, NHW statistics, 130-1
"Gap between NDP and Poor," Toronto Globe and Mail editorial, 130
Nursing homes and minimum care institutions, allotment from pension cheques, 131-3
Old age security, 132-4
Welfare incomes, 129-30
Transportation and freight rates, 260-4
Agricultural industry, 260-3
Cattle and poultry industries, 263
Discrimination in East-West freight rates, 260-2
MacPherson Royal Commission, 261
Rapeseed oil and meal, 261
Saskatchewan potash, increasing shipping costs, 260-1
Subsidies, 263
Western Canada, 260-3
Wheat Board pricing policy, 262-3
Winnipeg Free Press brief on freight rates, 261
Vietnam, appeal for peace, statement by four parliamentarians, 54

Asselin, Hon. Martial, P.C. (Introduced in the Senate Jan. 4/73)
Address in reply to Speech from the Throne, 120-5
Bankruptcies of Canadian companies, 858
Civil aviation, protection against hijacking and terrorism, 1383-4, 1404-5
Election Expenses bill C-203, 1435-7
Auditing of financial statements, 1436
Barbeau Commission, 1436
Expenditures, figures quoted, 1437
Limitation on expenditures and refunds, 1435
Electoral Boundaries Readjustment bill C-208, 928
Government inefficiency in spending, 858-9; responsibility of elected MPs, 858-9
Income Tax bill C-192, 857-60
Minority rights, 860
US-controlled corporations, benefits to, 857-8

Asselin, Hon. Martial, P.C. – *Concluded*
National unity, 123-5; Quebec, 124-5
Old Age Security bill C-147, 463-5, 469
Age of eligibility, 465
Allotment of income to nursing homes, 465-6
Guaranteed annual supplement, 466
Increase in proportion to cost of living, 465
Poverty line, 464
Olympic Summer Games (1976) bill C-196, 961-3
Protection of Privacy bill C-174, 1467-8
Rules of the Senate, question re legislation returned to Commons with Senate amdts, 1491, 1492
Science Policy Committee report, release to press before presentation in Senate, 1009
Senate
Business, 926, 974
Committee work, 122-3
Role of, 121-3
Television interview of Hon. Renaude Lapointe on 'Appelez-moi Lise', 1393
Vietnam, International Commission of Control and Supervision, 504-5, 542
Disappearance of two Canadian officers attached to ICCS, 827

Atlantic provinces
Hardships resulting from strike of railway employees, 982-3, 1212-17
Newfoundland and Labrador, transportation difficulties, 230-4; university enrolment, 693
North Sydney-Port aux Basques freight and passenger service, Prince Edward Island-Mainland ferry service, 1212-17, 1387-92, 1394-9
Regional economic problems, 699-70
See Individual provinces
Transportation

Australian Legislature representative Mr. Paul Keating, visitor to the Senate, 225

Banking, Trade and Commerce, Standing Senate Committee
Export Development Corporation, structure, policy and operations, authority to conduct study, 601
Foreign investment in Canada, authority to conduct study, 584-6; budget, 795
Income tax, authority to conduct study prior to receipt of bills, 722-3
Meeting during Senate sitting, motion for, 695-7; withdrawn, 704; further motion agreed, 780-1; further motion agreed, 1301
Reports
Cooperative Credit Associations bill C-183, rep without amdt, 1142
Customs bill C-189, rep without amdt, 1181
Customs Tariff bill C-172, rep without amdt, 551
Export Development Corporation, 716, 724-35
Fisheries Development bill C-4, rep without amdt, 939
Foreign investment in Canada, 867, 873-9
Foreign Investment Review bill C-132, rep without amdts but with recommendations, 1337-40
Income Tax bill C-170, rep without amdt, 551
Income Tax bill C-192, rep prior to receipt of bill, 826, 835-7
Income Tax bill C-193, rep prior to receipt of bill, 839, 847-50
National Parks bill S-4, rep with amdts, 796, 810
Residential Mortgage Financing bill C-135, rep without amdt, 1383
Tax Reform legislation, budget, 179

Barbados President of the Senate Sir Theodore Brancker and Lady Brancker, visitors to the Senate, 973

Beaubien, Hon. L.P.
Capital punishment, murders of police officers, question, 396, 618-19, correction to answer, 662
Criminal Code bill C-2 (Capital Punishment), 1116-17, 1198
Deterrent aspect, 1116
Murders resulting from drunkenness, drugs, violence, etc., 1116-17
Foreign Investment Review bill C-132, 1344-5
Income Tax bill C-170, 546
Interparliamentary Group, Canada-United States, 15th meeting, 591-2
Secondary and primary industries, 591
Legislation, delay in Senate receipt of bills, 187-8
Quebec election results, 1060
Question of privilege re newspaper article concerning passage of Income Tax bill C-259, 174-5
Rules of the Senate, manner of address when speaking in the Senate, 716
Senate business, 1246-7
Unemployment Insurance bill C-124, 187-8

Belisle, Hon. Rheal
Address in reply to Speech from the Throne, 44-47
Election results and consequences, 46, 47; Quebec, 47
Emergency Gold Mining Assistance bill C-130, 557-9
Competition and prices in world markets, 556-7
Statistics on assistance to gold mining operations, 557
European Community, meeting at Brussels, 639-41
Exports from Canada to Britain (1970), 639
GATT, 639
Imports and exports of EEC (1970), 640
Potential for Canada-UK trade, 640-1
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 45
Frost, Hon. Leslie M., former Premier of Ontario, the late, 567-8
National Housing bill C-133, 737-8
Bankruptcy or insolvency, protection for lender, 737
Interest rates, 738
Land prices and servicing costs, 737
New communities, 737-8
Tax on materials, 738
Pearson, Right Hon. Lester Bowles, the late, 46
Residential Mortgage Financing bill C-135, 1323-4
Tax benefit, 1323
Trade, 46-47
Mineral exports in relation to British markets and EEC, 47
Tariff barriers, 46

Benidickson, Hon. W.M., P.C.
Economic conditions, 1045-8, 1049
Comments of Prof. John Crispo suggesting 'vigilant pressure point program', 1049
Housing, 1047
Inflation, 1046-7
Milk subsidy, 1045-6; Quebec, 1046
Profiteering in business, 1047, 1049

Benidickson, Hon. W.M., P.C. – *Concluded*
Estimates year ending Mar. 31/74, 750-1
Family Allowances and Youth Allowances bill C-223, 1045-8, 1049
Income Tax bill C-170, 545-6, 554-5
Legislation
Protest against comments re Senate passage of Income Tax bill C-259, 545-6
Reprinting of bills after 3r in Commons, lack of explanatory notes, 554-5
Pearson College of the Pacific, 265
Rules of the Senate, leave to speak second time, 818-19
Telephone service delays, 827

Bilingualism and biculturalism
Alleged statement by Commissioner re 'Westmount Rhodesians', 495
Costs of government courses, 75
Disruption in departments due to immersion courses, 75, 77
Government policies, 25, 37
Initiated by the late Prime Minister Lester B. Pearson, 25
Public Service and other areas, 25-26, 74-75, 77, 522
Report of Commissioner of Official Languages tabled, 169
School training, 75, 77
See Official languages

Bills, general data
Amendments to bills
Criminal Code bill C-2 (Capital Punishment), amdts proposed and considered in Committee of the Whole, amdts defeated, 1182-4, 1193-4, 1195-1204, 1206-7
Foreign Investment Review bill C-132, rep without amdt but with recommendations, 1337-51
National Dental Examining Board of Canada bill S-7, Commons amdts, 1373, 1387
National Parks bill S-4, rep with amdts, 796, 810
Protection of Privacy bill C-176, rep with amdt, 1360-1, Commons disagreement, 1444, 1453-88, 1492-1510
Public bills, suspension of Rules 44, 45 and 78, 752, 975, 1398-1400

Bills, Numerically, Commons
C-2 Criminal Code (Capital Punishment)
C-3 Export Development
C-4 Fisheries Development
C-21 Harbour Commissions
C-31 Electoral Boundaries Readjustment (Lachine)
C-124 Unemployment Insurance
C-127 Pilotage
C-128 Aeronautics
C-129 Crop Insurance
C-130 Emergency Gold Mining Assistance
C-131 Canada Wildlife
C-132 Foreign Investment Review
C-133 National Housing
C-135 Residential Mortgage Financing
C-141 Appropriation No. 1, 1973
C-147 Old Age Security (No. 1)
C-148 War Veterans Allowance
C-156 Electoral Boundaries Readjustment (Waterloo)
C-166 Appropriation No. 2, 1973

Bills, Numerically, Commons – *Concluded*

C-167 Appropriation No. 3, 1973
C-170 Income Tax (No. 1)
C-171 Excise Tax (No. 1)
C-172 Customs Tariff
C-176 Protection of Privacy
C-177 Judges
C-178 Public Service Staff Relations
C-183 Cooperative Credit Associations
C-189 Customs
C-191 Parole
C-192 Income Tax (No. 2)
C-193 Income Tax (No. 3)
C-194 Excise Tax (No. 2)
C-195 Customs Tariff (No. 2)
C-196 Olympic Summer Games (1976)
C-197 Immigration Appeal Board
C-202 Pension
C-203 Election Expenses
C-204 Appropriation No. 4, 1973
C-208 Electoral Boundaries Readjustment (Suspension of Act)
C-211 Family Allowances
C-212 Immigration laws and procedures
C-217 Maintenance of Railway Operations 1973
C-219 Old Age Security (No. 2)
C-220 Supplementary Retirement Benefits
C-222 Electoral Boundaries Readjustment (Peel South)
C-223 Family Allowances and Youth Allowances
C-224 Canada Pension Plan (No. 2)
C-232 Electoral Boundaries Readjustment (Ottawa East)
C-233 Federal-Provincial Fiscal Arrangements, Federal-Provincial Revision, Income Tax
C-236 Energy Supplies Emergency
C-239 Appropriation No. 5, 1973
C-245 Oil Export Tax

Bills, Numerically, Senate

S-1 Railways (pro forma)
S-2 Criminal Code (Control of Weapons and Firearms)
S-3 British North America Acts 1867 to 1965 (Yukon and Northwest Territories Senate representation)
S-4 National Parks
S-5 Farm Improvements Loans
S-6 Centre Amusement Co. Limited
S-7 National Dental Examining Board of Canada
S-8 Criminal Code and National Defence (Total Abolition of Capital Punishment)
S-9 Aircraft Registry

Bills, Private, Senate

Centre Amusement Co. Limited S-6 (Hon. John J. Connolly). 1r, 571; 2r, 628; ref to com, 628; rep without amdt, 673; 3r, 673; r.a., 969

National Dental Examining Board of Canada S-7 (Hon. Orville H. Phillips). 1r, 633; 2r, 652-3, 666; ref to com, 666; rep without amdt, 695; 3r, 704; Commons amdts, 1373, concurred in, 1387; r.a., 1404

Bills, Public, Commons

Aeronautics C-128, 1r, 966; 2r, 967-8; 3r, 968; r.a., 969
Appropriation No. 1, 1973 C-141. 1r, 280-1; 2r, 291, 293-307; ref to com, 307-8; rep of com, 309; 3r, 309-12; r.a., 314 (see also 504, 523-6)
Appropriation No. 2, 1973 C-166. 1r, 395; 2r, 410-16; 3r, 425; r.a. 439
Appropriation No. 3, 1973 C-167. 1r, 395; 2r, 416-18; 3r, 425; r.a., 439
Appropriation No. 4, 1973 C-204. 1r, 777; 2r, 777-80, 793-4; 3r, 797; r.a., 808
Appropriation No. 5, 1973 C-239. 1r, 1317; 2r, 1329-31, 1332-6, 1357-8, 1363-5; 3r, 1374-5; r.a., 1404
Canada Pension Plan (No. 2) C-224. 1r, 1292; 2r, 1311-13; 3r, 1317; r.a., 1359
Canada Wildlife C-131. 1r, 926; 2r, 936-7, 940-2; 3r, 953; r.a., 970
Cooperative Credit Associations C-183. 1r, 1079; 2r, 1109-12, 1122, 1134; ref to com, 1134; rep without amdt, 1142; 3r, 1166; r.a., 1267
Criminal Code C-2 (Capital Punishment). 1r, 1053; 2r, 1069-77, 1081-7, 1090-1101, 1102-9, 1116-22, 1125-34, 1144-50, 1167-75; vote on m for 2r, 1175; 2r, 1175; considered in Committee of the Whole, 1176, 1181-1205; (amdts proposed, 1182-4, 1193-4, 1195-1204, 1206-7); rep without amdt, 1205; 3r, 1209-10; r.a., 1268
Crop Insurance C-129. 1r, 1033-4; 2r, 1049-52; 3r, 1052; r.a., 1052
Customs C-189. 1r, 1079; 2r, 1112-14, 1122-3, 1134-6; ref to com, 1136; rep without amdt, 1181; 3r, 1209; r.a., 1268
Customs Tariff C-172 (No. 1). 1r, 537; 2r, 537-40, 548-50; ref to com, 550; rep without amdt, 551; 3r, 556; r.a., 566
Customs Tariff C-195 (No. 2). 1r, 890; 2r, 898-900, 907-11; 3r, 923; r.a., 970
Election Expenses C-203. 1r, 1413; 2r, 1413-16, 1428-42; 3r, 1445; r.a., 1517
Electoral Boundaries Readjustment C-31 (Lachine). 1r, 315; 2r, 365-6; 3r, 367; r.a., 439
Electoral Boundaries Readjustment C-156 (Waterloo). 1r, 315; 2r, 366 (see also 365); 3r, 367; r.a., 439
Electoral Boundaries Readjustment C-208 (Suspension of Act). 1r, 918; 2r, 923-5, 927-9; 3r, 940; r.a., 970
Electoral Boundaries Readjustment C-222 (Peel South). 1r, 1053-4; 2r, 1076-7; 3r, 1081; r.a., 1268
Electoral Boundaries Readjustment C-228 (LaSalle). 1r, 1226; 2r, 1295-6; 3r, 1302; r.a., 1359
Electoral Boundaries Readjustment C-232 (Ottawa East). 1r, 1226; 2r, 1296-7; 3r, 1302; r.a., 1359
Emergency Gold Mining Assistance C-130. 1r, 551; 2r, 556-9; 3r, 559; r.a., 566
Energy Supplies Emergency C-236. 1r, 1459; 2r, 1510-15; 3r, 1515; r.a., 1517
Excise Tax C-171 (No. 1). 1r, 540; 2r, 540-1, 550-1; 3r, 554; r.a., 566
Excise Tax C-194 (No. 2). 1r, 880; 2r, 889, 895-7; 3r, 907; r.a., 970
Export Development C-3. 1r, 552; 2r, 562-5; 3r, 565; r.a., 566. See also 724-35
Family Allowances C-211. 1r, 1292; 2r, 1302-10, 1317-23; 3r, 1353-7; r.a., 1359
Family Allowances and Youth Allowances C-223. 1r, 1033; 2r, 1038-40, 1044-8; 3r, 1048-9; r.a., 1052
Federal-Provincial Fiscal Arrangements, Federal-Provincial Revision, Income Tax C-233. 1r, 1225; 2r, 1226, 1279-81; 3r, 1293; r.a., 1359
Fisheries Development C-4. 1r, 926; 2r, 932-6; ref to com, 936; rep without amdt, 939; 3r, 953; r.a., 970
Foreign Investment Review C-132. 1r, 1225; 2r, 1228-35, 1247-66, 1270-9, 1281-90; ref to com, 1290; rep without amdt but with recommendations, 1337-40; m for 3r, 1340; m in amdt, 1340-5, neg, 1345-7; further m in amdt, 1347-51, neg, 1351; 3r, 1351-3; r.a., 1359
Immigration C-212 (Laws and Procedures). 1r, 926; 2r, 929-32; 3r, 940; r.a., 970
Immigration Appeal Board C-197. 1r, 880; 2r, 884-9, 890-5; 3r, 907; r.a., 970
Income Tax C-170 (No. 1). 1r, 530; 2r, 530-7, 542-8; ref to com, 548; rep without amdt, 551; 3r, 554-6; r.a., 566
Income Tax C-192 (No. 2). 1r, 826; 2r, 840-2, 852-63; 3r, 870, 881-4; r.a., 970. See rep of com, 835-7
Income Tax C-193 (No. 3). 1r, 838; 2r, 843-6, 863-4; 3r, 870; r.a., 970. See rep of com, 847-50
Judges C-177. 1r, 670; 2r, 685, 699-700; ref to com, 700; rep without amdt, 716; 3r, 736; r.a., 808
Maintenance of Railway Operations 1973 C-217. 1r, 976; 2r, 976-84; 3r, 984; r.a., 985

Bills, Public, Commons – *Concluded*
National Housing C-133. 1r, 703; 2r, 720-2, 737-44; ref to com, 744; rep without amdt, 750; 3r, 771; r.a., 808
Oil Export Tax C-245. 1r, 1416; 2r, 1416-18, 1442-3, 1445-53; 3r, 1492; r.a., 1517
Old Age Security C-147 (No. 1). 1r, 424; 2r, 440-8, 463-70; ref to com, 470; rep without amdt, 476; 3r, 476; r.a., 480
Old Age Security C-219 (No. 2). 1r, 998; 2r, 998-1007, 1009-12; ref to com, 1012; rep without amdt, 1017; 3r, 1035-6; r.a., 1052
Olympic Summer Games (1976) C-196. 1r, 958; 2r, 958-66; 3r, 966; r.a., 970
Parole C-191. 1r, 1292; 2r, 1324-5, 1375-7, 1384-7; 3r, 1394; r.a., 1404
Pension C-202. 1r, 764; 2r, 764-8; 3r, 768-71; r.a., 808
Pilotage C-127. 1r, 161; 2r, 161-6; ref to com, 166; rep of com, 166; 3r, 166; r.a., 168
Protection of Privacy C-176. 1r, 1245; 2r, 1293-4, 1325-9; ref to com, 1329; rep with amdt, 1360-1; 3r, 1361-2; Commons disagreement with Senate amdt, 1444; m for consideration later this day, 1444; vote on m, 1445; m agreed, 1446; consideration of Commons message, 1453-5, m re non-insistence of amdt, 1455-8, 1459-80; further m re non-insistence of amdt, and further amdt to amended m, 1480-8, 1492-1500; m in amdt lost, 1500; further discussion, 1500-9; m that Senate amdt be withdrawn and that message be sent to Commons, 1509; m agreed, 1509-10; r.a., 1517
Public Service Staff Relations C-178. 1r, 552; 2r, 560-2; 3r, 565, r.a., 566
Residential Mortgage Financing C-135. 1r, 1292; 2r, 1313-15, 1323-4, 1365-6; ref to com, 1366; rep without amdt, 1383; 3r, 1393; r.a., 1404
Supplementary Retirement Benefits C-220. 1r, 1027; 2r, 1036-8, 1041-4; 3r, 1044; r.a., 1052
Unemployment Insurance C-124. 1r, 186-9; 2r, 193-210; ref to com, 210; rep of com, 214; 3r, 214-16; r.a., 224
War Veterans Allowance C-148. 1r, 395; 2r, 408-10, 425-9; ref to com, 429; rep without amdt, 463; 3r, 477; r.a., 480

Bills, Public, Senate
Aircraft Registry S-9. 1r, 750; 2r, 771-3; ref to com, 773; rep without amdt, 795-6; 3r, 809
British North America Acts 1867 to 1965 S-3 (Yukon and Northwest Territories Senate representation). 1r, 225; 2r, 271-4, 995-6
Criminal Code and National Defence S-8 (Total Abolition of Capital Punishment). 1r, 736; 2r, 752-3; Order stands, 809-10, 815-19; Order for 2r discharged and bill withdrawn, 870
Criminal Code S-2 (Control of Weapons and Firearms). 1r, 169; 2r, 240-8, 258-60, 271, 353-6, 360-5, 367-71; ref to com, 371
Farm Improvement Loans S-5. 1r, 553; 2r, 571-2, 628-9; ref to com, 629; rep without amdt, 674; 3r, 684; bill removed from Commons Order Paper, 717-20, 851-2
National Parks S-4. 1r, 396; 2r, 481-4, 572-5, 593-5, 619-27; ref to com, 627-8; rep with amdts, 796, 810; 3r, 815
Railways S-1 (pro forma). 1r, 11

Blois, Hon. Fred M.
Isnor, Hon Gordon B., the late, 358

Bonnell, Hon. M. Lorne
National Parks bill S-4, 624-6
Facilities, diversity of, 625
Federal-provincial liaison in parks programming, 624-6
Prince Edward National Park, 624-5
Transportation, Eastern Canada, 1387-91

Boulanger, Prosper, Member of Parliament
Newfoundland Book of Remembrance, speech at dedication of, 1064-5

Bourget, Hon. Maurice, P.C.
Address in reply to Speech from the Throne, 154-7
CNR employee's pension fund, 156-7; membership and functions of commission, 156
Coasting trade, inquiry undertaken by CTC, 155-6
Emergency Gold Mining Assistance bill C-130, 556-7
Price of gold in current market, 556-7
Statistics on assistance to gold mining operations, 557
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 154
Merchant marine, 156
National Housing bill C-133, 720-2, 743-4
Bankruptcy or insolvency, protection for lender, 721-2
Co-operatives, 721
Indian reservations, 722
Low-incomes and plight of elderly persons, 721
Neighbourhood Improvement Program, 721
Non-profit organizations, 721
Percentage of persons eligible for CMHC loans, 743
Sale of home purchased under home ownership program, 743
Pearson, Right Hon. Lester Bowles, the late, 154-5
Radio and television commercial broadcasting in Canada, 918-21, 937-8
Shipbuilding industry, 155-6
Employment and economic potential, 156
STAP, 155
Speaker pro tem, 463
Transport and Communications Committee, meetings during Senate sittings, 839, 840

British Columbia
Federal disallowance of provincial statutes, 781-92, 810-14
Industry's inability to compete with UIC, 98
Integration of private contractors into Public Service, wage deficiencies, 100
Nisgha Tribunal, visitors to Senate, 169
Pearson College of the Pacific, 264-6, 493-4
Port of Vancouver, container facilities, 99-100

British North America Acts 1867 to 1965
Speakers: Honourable Senators
Forsey, Eugene A., 995-6
Grosart, Allister, 272-4

British North America Acts 1867 to 1965 bill S-3 (Yukon and Northwest Territories Senate Representation). 1r, 225; 2r, 271-4, 995-6

Broadcasting
Canadian Broadcasting Corporation
Canadian programming, 84
Election results, statement by Dean Scanlon of Carleton University on program "Commentary", 27
Freedom vs responsibility, 84
Interviewing of political figures and reporting methods, 19, 27

Broadcasting – *Concluded*
Canadian Broadcasting Corporation – *Concluded*
'Irresponsible journalism' in interviewing of alleged forger, 193
Payroll categories, 581
Photographing of Royal Assent ceremony, permission denied, 968-9
Prejudice in programs, 83
Media responsibility in fact reporting, 83-84
Parliamentary proceedings, 27
Radio and television commercial advertising in Canada, 659-62, 918-22, 937-8

Buckwold, Hon. Sidney L., Chief Government Whip in the Senate
Address in reply to Speech from the Throne, 63-67; correction of statement, 68-69
Anik II of Telesat Canada, 682
Broadcasting, radio and television commercial advertising in Canada, 659-62
Criminal Code bill C-2 (Capital Punishment), 1109, 1197
Customs Tariff bill C-195, 898-9, 900, 909-11
Consumer price indices (1972-73), 910, 911
Petroleum fuel oil, 910
Plywood, 899, 909
Removal of tariffs on certain items and Schedule A further amended, 898-9
Estimates, expenditures vs GNP, 402
European Community, 1018-19
Exports from Canada to member countries, potential, 1018-19
Farm Improvement Loans bill S-5, 629
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 63
Foreign Investment Review bill C-132, 1278-9
Energy resources, crisis in oil industry, 1278
Statistics on monetary value of foreign holdings in Canada, 1279
Middle East, UN Emergency Force, participation of Canadian Forces, 1161-2
Minority government, 63-64
National Parks bill S-4, 497
Pension bill C-202, 770
Entitlement to other pensions, 770
Protection of Privacy bill C-176, 1493-6
Public works, federal expenditures in provinces, statistics, 66
Quebec election results, 1060-1
Saskatchewan, 65-69, 629
Freight rates, 66
Churchill, 66, 68-69
Rapeseed oil and meal, 66
"Have not" aspects, 65
Political background, 65
Population decrease, 65
Senate business, 1400
Unemployment, alleviation of, 64
Unemployment Insurance bill C-124, 193-6, 216
Administrative costs, 194
Benefits paid (1972), 194
Employer-employee contributions to fund, 194
Governor General's warrants, requirements due to depletion of UI fund, 193-5

Budget Speech, accommodation for Senators in Commons gallery, 257

Burchill, Hon. G. Percival
Address in reply to Speech from the Throne, 96-98
Customs Tariff bill C-195, 899
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 96
New Brunswick pulp and paper industry, economic problems, 96-97
Pension bill C-202, 771
War Veterans allowance, 771
Salmon, ban on commercial fishing of, 97-98; compensation delays, 97-98
Science policy, Commission on the Future, 916
Shipping costs, 97; ice-bound vessels, 97

Business of the Senate, see Senate, Business

Cameron, Hon. Donald
Address in reply to Speech from the Throne, 69-76
Air Canada
Aborted landing at Ottawa airport, 1270
Rotating strikes by machinists, 684
Toronto airport tunnel and bus service, costs of, 1270
Banking reforms to assist industrial development, 74
Bilingualism in the Public Service, 74-75
"Backlash", 75
Costs of training, 75
Disruption in depts. due to immersion courses, 75
National unity and bilingualism, 74
School training, 75
Criminal Code bill C-2 (Capital Punishment), 1172
Criminal Code bill S-2 (Control of Weapons and Firearms), 240-7, 369-71
Age limit for registration, 370
Arguments for and against gun control, 245-7
Breakdown of discipline and morale in society and schools, 241-2
Controls in UK, France, West Germany, Japan, 244
Duration of permit, 370
Gun Clubs and recreational use of guns, defining of, 370
Newspaper articles re firearms control, 241
Parole of dangerous criminals, 241
Registrars, 370
US record of violence, 242-5
Firearms deaths vs war dead, 242
Gun Control Act (1968), 245
Increase in gun crimes (1964-71), 244
Economic conditions and prospects, 69
Education
Post-secondary schools and universities, 255-6
Teachers and professors, public image of, 241-2
Teenagers on welfare, 241-2
Elevator technicians' strike, 102, 143
Estimates, 295
National Theatre School, 295
Excise Tax bill C-194, 897

Cameron, Hon. Donald – *Continued*
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 69
Fitness and amateur sports, 73
Olympics costs, article from Ottawa Citizen, 73
Harbour Commissions bill C-21 (Nanaimo), 864-5
Housing and urban development, 69, 72; older neighbourhoods, 72-73
Labour relations, 102, 143
Local Initiatives Programs, 69-70
Management training in the Public Service, 70-71
Mexican President's third State of the Union Address, 1009, 1022-6
National Parks bill S-4, 621-6
Authority of Governor in Council to add Crown lands to National Parks, 620
Banff 'Cragg and Canyon' article, 621
Federal provincial liaison in parks programming, lack of, 622-3, 624
Housing for park residents, choosing of unsuitable areas, 624
Land rentals in Banff, increase in, 623
Park residents' views re national parks, 622
Regulations and administrative problems, 621, 623-4; environmentalists, 623-4
Nichol, Hon. John, resignation from the Senate, 493-4
'No Small Plans, An Affectionate and Incomplete Biography' by Elizabeth Motherwell, 1301-2
Pearson College of the Pacific, 493-4
Post Office
Collective bargaining, 71
Mail service disruptions due to labour disputes, 71, 102, 143
Protection of Privacy bill C-176, 1328-9
Railways, failure of employees to return to work after passage of Bill C-217, 993
Science policy
Endorsations of committee report, 171
Innovation in the productive sector, 171
Science magazine article by Sanford A. Lakoff, 171-2
Science policy, Commission on the Future, 906
Science Policy, Special Senate Committee
Appointment, 102-3, 170-2, 174; members, 170; terms of reference, 170
Vol. 3 of report, 1366-72
Small businesses, initiatives and training in management, consulting services and financing, 70
Social security, 71-72; working poor, 72
Tanzania, Kenya and South Africa, visit of Canadian businessmen to, 712-14, 797-808
Tourism in Canada, 75
Trade
Cuba, 70
UK entry into EEC and effect on Canadian markets, 70
Transportation and freight rates, 179-85
Air bus service, 183-4
Air fares, increase in, 181; stopover charge, 181
Airports, costs and congestion, 183-4
British and Japanese trains, 183
Domestic passenger-miles in Canada, 180
Expenditures on transportation, statistics, 181
Rapid transit, 184
Research in Canada and other countries, 183
Survey of Canadian Activity in Transportation R & D, Science Council report, 181-2
Unemployment insurance, 70, 72; abuses, 72

Cameron, Hon. Donald – *Concluded*
Vietnam visit of Canadian Parliamentary Mission, 350-1, 418-22, 428-39, 665
Cease-fire Agreements, articles partially implemented or not implemented, 418-20
'Hostages of War – Saigon's Political Prisoners' by Holmes Brown and Don Luce, 432
Missile base at Khe San, 430
Polish and Hungarian delegates, 433-4
Political and civilian prisoners, 430-2
Red Cross workers, 430-1
Refugees, 434
Role and activity of Canadian group, 421-2, 429

Canada pension plan
Communique from provincial conference, 1311
Earnings limitation, 1312
Inflationary increases, 1312
Retroactive aspects, 1312
Speakers: Honourable Senators
Macdonald, John M., 1313
van Roggen, George, 1311-13

Canada Pension Plan (No. 2) bill C-244, 1r, 1292; 2r, 1311-13; 3r, 1317; r.a., 1359

Canada-United States Interparliamentary Group
Fifteenth annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9, 829
Meeting re oil transportation on West Coast, 911, 922-3, 942-8, 949
See Interparliamentary Group, Canada-United States

Canada wildlife
Ducks Unlimited (Canada), 942
Jurisdiction over wildlife, 937
Resources for Tomorrow Conference, 940
Speakers: Honourable Senators
Macnaughton, Alan A., 936-7
Molgat, Gildas L., 941-2
Yuzyk, Paul, 940-1

Canada Wildlife bill C-131. 1r, 926; 2r, 936-7, 940-2; 3r, 953; r.a., 970

Canadian Broadcasting Corporation, see Broadcasting

Canadian National Railways
Bus, ship and express service, Newfoundland and Labrador, 232-3
Debt from defunct railways in Atlantic provinces, 230
Derailments, number, location, cause and cost, 360
Failure of employees to return to work after passage of Bill C-217, 993-5
Freight rates, 68-69, 95, 232-3
Government responsibility for inadequacy of rail facilities, 231, 232
Loss of and damage to merchandise, insurance payments and disposal of goods, 712
Maintenance of railway operations (Bill C-217), 976-84
Passenger service, NS, 95
Pension fund, administration of, 156-7; commission membership and functions, 156
Railway passes for Senators, question of privilege, 53-54
See Maintenance of Railway Operations bill C-217,
Transportation.

Capital punishment
Abolition of, question, 15
Murders of police officers, question, 396, 618-19; date of sentence and date sentence commuted, 652; correction to answer, 662
Prevention of crime and treatment of offenders, UN Committee of Experts' opinion, 78
See Criminal Code and National Defence bill S-8 (Total abolition of Capital Punishment),
Criminal Code bill S-2 (Control of Weapons and Firearms),
Criminal Code bill C-2 (Capital Punishment).

Carter, Hon. Chesley W.
Address in reply to Speech from the Throne, 82-85
Criminal Code bill C-2 (Capital Punishment), 1085-7
Commutation of sentence, 1086
Hanging of innocent persons, 1086
Criminal Code bill S-2 (Control of Weapons and Firearms), 367-8
Electoral Boundaries Readjustment bill C-208, 923-5, 929
Estimates, compensation to Atlantic fishermen for loss from closure of fishery, 235
European Community, 1297-1300
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 82
Fisheries Development bill C-4, 932-4, 935-6
Fish-handling regulations, 933-4
Ice-making and refrigeration facilities, 933
Rejection of fish by inspectors, 933, 936
Isnor, Hon. Gordon B., the late, 358-9
Labour disputes, 84-85
Employer-employee relations, 84; British system of 'fair comparability', 84-85
Maintenance of Railway Operations bill 1973 C-217, 982-3
Right to strike and hardships resulting from, 982-3; Atlantic provinces, 982-3, 1214-17
Media responsibility in fact reporting, 83-84
Canadian programming, 84
Freedom vs responsibility, 84
Prejudice in CBC programs, 83
National Parks bill S-4, 505-7
Boundaries, 506
Safeguarding of individual rights, 506
National unity, 82-85
Newfoundland Book of Remembrance, speech at dedication of, 1062-4
Pearson, Right Hon. Lester Bowles, the late, 82
Pension bill C-202, 765-7, 769, 770, 771
Basic pension vs rates for unskilled labour, 765, 766
Dependants' allowances, 766, 769, 770
Discretionary pension to parents, 765
Entitlement to other pensions, 770
Rehabilitation, 770
War veterans allowances, 771
Protection of Privacy bill C-176, 1326-8, 1478-81, 1488, 1491, 1496, 1497-9
Authorization to use bugging devices, 1326
Ninety-day notification, 1326
Ottawa Journal editorial, 1327
Science policy, Commission on the Future, 913
Science policy, Vol. 3 of committee report, 1378-82
Social security and income distribution, 85

Carter, Hon. Chesley W. – *Concluded*
Transportation and freight rates, 230-4
Air Canada passenger service, 233
Newfoundland and Labrador, 230-4
Bus, ship and express service, 232-3
Defunct railways and debt from, 230-2; federal responsibility for, 232
Geographic isolationism, 231
High costs and low standards of living due to transportation policies, tariffs, freight rates, 232-3
Seasonal problems of sea transportation, 231
Trade with world markets, restrictions since Union, 231
Transportation, North Sydney-Port aux Basques freight and passenger service, Prince Edward Island- Mainland ferry service, 1214-17
Vietnam, appeal for peace, statement by four parliamentarians, 54-55
Vietnam, visit of Canadian Parliamentary Mission, 602-6
Communism, 603-4, 605
Paris agreement, lack of North Vietnam's participation in, 604-5
Shooting down of ICCS helicopters, 604
War Veterans Allowance bill C-148, 427-8
Means test, 427
Welfare benefits vs veterans allowances, 427-8

Centre Amusement Co. Limited bill S-6, (Hon. John J. Connolly). 1r, 571; 2r, 628; ref to com, 628; rep without amdt, 673; 3r, 673; r.a., 969

Choquette, Hon. Lionel
Aircraft Registry bill S-9, 773
Capital punishment, murders of police officers, 618, 619; date of sentence and of commutation, 652
Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment), 755
Criminal Code bill C-2 (Capital Punishment), 1075-6
Farm Improvement Loans bill S-5, 718
Foreign Investment Review bill C-132, 1348
Isnor, Hon. Gordon B., the late, 357
National Dental Examining Board of Canada bill S-7, 653
Parole bill C-191, 1375-6
Protection of Privacy bill C-176, 1325-6, 1444, 1455-8
Newspaper article, statement by Senator Goldenberg re role of the Senate, 1427
Public Service Staff Relations bill C-178, 561
Question of privilege re alleged statement by Hon. Mr. Lamontagne, 1034
St. Patrick's Day, tribute to the Irish people, 351-2
Senate business, 1315

Civil aviation
Protection against hijacking and terrorism, question, 1383-4, 1404-5

Civilian war pensions and allowances, see War Veterans Allowance bill C-148

Clerk of the Senate
Property qualification of Senators, return presented, 280
Supplementary return authorized, 280
Receipts and disbursements for fiscal year (1972-73), referred to Internal Economy, Budgets and Administration Committee, 673; rep of com, 1360, 1382
Telephone credit cards for Senators, 651, 666

Commission on the Future, 901-6, 911-17
See Science Policy, Commission on the Future

Committee of Nine
Aird, Hon. John B., appointment to, 350, 375

Committee of Selection
Appointment, 11
Members, 11; question re, 68

Committee of the Whole
Criminal Code bill C-2 (Capital Punishment), 1176, 1181-1205, rep without amdt, 1205

Committees, general data
Agriculture
Agricultural industry, budget re, 504
Meetings during Senate adjournments, 313
Banking, Trade and Commerce
Foreign Investment in Canada, budget re, 795
Meetings during Senate sittings, 695-7, 704, 780-1, 1301
Tax Reform Legislation, budget re, 179
Chairmanship of two committees occupied by one Senator, 172-3
Consumer Credit, Joint Committee
Salaries and expenses, 258, 351
Foreign Affairs
European Community, budget re, 291
Internal Economy, Budgets and Administration
Minutes of meetings tabled, 291
Legal and Constitutional Affairs
Meetings during Senate sittings, 695-7, 704
Meeting notices, question of privilege re, 1292-3
Parole System in Canada, budget re, 145, 291, 673-4
National Finance
Legislation and other matters, budget re, 674,795, 918; counsel and staff, 356
Meetings during Senate sittings, 695-7, 704
Organizational meetings, 143
Poverty
Budget during 4th Session of 28th Parliament, 102
Science Policy
Budget, 88, 291, 795, 918
Report Vol. 3, publication and distribution of, 880-1
Selection Committee, question re membership, 68
Terms of reference
Agriculture, 275-7, 286, 293, 422
Science policy, 102-3
Transport and Communications
Meetings during Senate sittings, 839-40
See individual committees

Committees, Joint, Standing
Library of Parliament
Printing of Parliament

Committees, Joint, Standing – *Concluded*
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 and Privileges of Parliament (Committee of Privileges)
Rules and Orders
Selection
Transport and Communications

Commons, see House of Commons

Commonwealth Parliamentary Association
18th general conference, 380-4, 392-4
Apartheid, 384
Canadian delegation, 392
Constitution, of Malawi, 381-2; article by Jehovah's Witnesses, 382; education and health, 382-3
Finances, 393
General Council, 392-3
Officers elected for 1973, 393
19th general conference, 1150-3, 1235
Committee work, 1152
Immigration policies, 1151-2
Parliamentary government, 1152
Seminar on parliamentary procedure and practice, 1115-16

Communications
Anik II of Telesat Canada, launching at Cape Kennedy, 630-1, 640-3, 681-2, 827-9
See Anik II

Conferences
Commonwealth Parliamentary Association
18th general conference, 380-4, 392-4
19th general conference, 1150-3, 1235
Seminar on parliamentary procedure and practice, 1115-16
Federal-Provincial-Municipal Conference on Urban Affairs, 106-7
Interparliamentary Group, Canada-United States
15th annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9, 829
Meeting re oil transportation on West Coast, 991, 992-3, 942-8, 949

Conferences – *Concluded*
Interparliamentary Union, 60th annual conference, 329-49, 518-19
Multicultural Conference, 1069
North Atlantic Assembly, 18th annual session, 371-6, 448-51, 461, 462
Tri-Level Conference of Governments, 1069
Vietnam, Canadian Parliamentary Mission to, 350-1, 418-22, 429-39, 602-6, 643-6, 829
Western Economic Opportunities, 881

Conflict of interest
'Members of Parliament and Conflict of Interest', Green Paper ref to Commons com, 1226
Reply by Hon. John J. Connolly to question re, 1135

Connolly, Hon. John J., P.C.
Address in reply to Speech from the Throne, 125-8
Agriculture, Standing Senate Committee, 276
Appointment to the Senate, twentieth anniversary, 704
Appropriation bill No. 1, 1973 C-141, 301-2
Centre Amusement Co. Limited bill S-6, 571, 628
Commonwealth Parliamentary Association, 19th general conference, 1150-3
Committee work, 1152
Immigration policies, 1151-2
Parliamentary government, 1152
Conflict of interest, reply to question re, 1135
Criminal Code bill C-2 (Capital Punishment), 1128-30
Commutations, 1129-30
Executions and reprieves (1950-67), 1129
Royal prerogative of mercy, 1128
Customs bill C-189, 1112-13, 1114, 1135-6
Regina vs The Canadian General Insurance Company and Logistec Corp. et al, 1113
Responsibility of shipping company and agent, 1113, 1135
'Short-landed goods', 1113
Customs Tariff bill C-172, 537-40, 550
Aid to developing countries, 538, 550
Countries qualified for preferences, 539, 550
Imports to Canada, types and values, 538-9
Tariff changes, 539
Trade and Development, UN Conference on, 538
Education, post-secondary schools and universities, 610
Estimates, 301-2
Export Development bill C-3, 565
Export Development Corporation, rep of com on structure, policy and operations of, 716, 724-5
Federal-provincial-municipal responsibilities, 126-8
Education, 126
Federal-Provincial Conference, 127-8
Hospital and health facilities, 127
Roads, land services, housing, 127
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 125
Foreign Investment Review bill C-132, 1256-8, 1342-3
Control of Canadian business by other than Canadians, 1257-8
Economic aspects of foreign investment, 1275
US control of Canadian industry, 1256-7
Foreign investments, 127

Connolly, Hon. John J., P.C. – *Concluded*
GNP vs rising costs, 127
Immigration bill C-121 (Laws and Procedures), 929-31, 932, 940
Income tax, authority to consider legislation prior to receipt of bills, motion agreed, 772-3
Income Tax bill C-192, 826, 834-7
Molson, Hon. Hartland de M., elected to Hockey Hall of Fame, 715
National Parks bill S-4, 796
National unity, 126-8
Pearson, Right Hon. Lester Bowles, the late, 125-6
St-Laurent, Right Hon. Louis Stephen, the late, 952-3
Senate reform, 653-7
Appointments, federal-provincial liaison re, 655
Canadian Constitutional Charter, proposed draft statute, 656-7
Committees, standing and special, 654
Leader of the Government in the Senate, 655
Preservation of parliamentary system, 656
Retirement age, 655
Vietnam Cease-fire Agreements, Canada's role in International Commission of Control and Supervision, 221, 222

Constitution of Canada
Federal disallowance of provincial statutes, 781-92, 810-14
Speakers: Honourable Senators
Forsey, Eugene A., 788-92, 813
Goldenberg, H. Carl, 810-13
Lawson, Edward M., 813-14
Manning, Ernest C., 787-8
van Roggen, George, 781-7

Cook, Hon. Eric
Federal-Provincial Fiscal Arrangements bill C-233, 1266
Foreign Investment Review bill C-132, 1258-62
Australian policies, 1260-1
Foreign investment in Newfoundland and Labrador, 1259
Gray report, 1258-9
Takeovers contrary to national interest, 1259
Judges bill C-177, 685
Legislation, concurrent debate in Senate and Commons, suggestion for, 189
Newfoundland Book of Remembrance, 1055

Cooperative credit associations
Auditor's qualifications, 1110
Income tax, 1110-11
Membership in and powers of association, 1110
Speakers: Honourable Senators
Argue, Hazen, 1111-12
Croll, David A., 1122
Denis, Azellus, 1109-11

Cooperative Credit Associations bill C-183. 1r, 1079; 2r, 1109-1112, 1122, 1134; ref to com, 1134; rep without amdt, 1142; 3r, 1166; r.a., 1267

Côté, Hon. Joseph Julien Jean-Pierre, P.C. (Introduced in the Senate Jan. 4/73)
Appropriation bill No. 1, 1973 C-141, 307

Crerar, Hon. Thomas, A., P.C.
Companion of the Order of Canada, 1420

Crime
Air piracy, 375
Assassinations of prominent persons, 258
Forgery, letters purported to be from Senator Lawson and from President of Canadian Labour Congress, question of privilege, 191-3
Murders of police officers, 396, 618-19, 652, 662
Weapons and firearms, control of, 240-8, 258-60, 271, 353-6, 360-5, 367-71
See Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment),
Criminal Code bill S-2 (Control of Weapons and Firearms),
Criminal Code bill C-2 (Capital Punishment),
Parole system,
Penal reform.

Criminal Code and National Defence (Total abolition of capital punishment)
Canadian Catholic Conference letter re death penalty, 754, 755
Deterrent aspect, question of, 754-5
Innocent persons convicted of murders, 754
National Defence Act provisions requiring death penalty, 752-5
Speakers: Honourable Senators
Choquette, Lionel, 755
Macdonald, John M., 736, 752-5

Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment). 1r, 736; 2r, 752-5; Order stands, 809-10, 815-19, Speaker's ruling, 838; Order for 2r discharged and bill withdrawn, 870

Criminal Code (Capital punishment)
Bail privileges, 1106
Canadian Catholic Conference opinion, 1133
'Capital Punishment, New Material, 1965-72', 1072-3
Classification of murder, 1071
Commutations, 1074, 1084, 1086, 1104, 1106, 1119-20, 1125-8, 1129-30, 1132-3, 1147-8, 1149, 1174-5
Crimes of violence, 1118
Degrading aspects of capital punishment, 1094
Deterrent aspect, 1074, 1091, 1092-3, 1095, 1108, 1116, 1121, 1126, 1132, 1146-7, 1150, 1169, 1171, 1174
Effects of death penalty on others than convicted person, 1108
Elizabeth Fry Society brief to government, 1131
Evidence Act, reviewing of, 1106-7
Excerpt from statement by Sir Winston Churchill, 1109
Excerpts from articles by Professors Sellin and Fattah, 1095, 1132
Executions and reprieves (1950-67), 1129
Homicides (Halifax, Montreal, Toronto, Vancouver), 1133-4
Hopewell Club, Drumheller, 1125
Indian victims of murders, 1149-50

Criminal Code (Capital punishment) – *Continued*
Injustices in sentencing of rich and poor, 1094
Innocent persons convicted of murder, 1082, 1086, 1108, 1145
Judiciary administration, 1105
Lewis Lawes' history as warden of Sing Sing prison, 1131, 1132
Methods of execution, revision of, 1091, 1093, 1170
Montreal Gazette editorial, 1083
Murders resulting from drunkenness, drugs, violence, etc., 1116-17
Notice of reward (UK), 1117
Parole, 1070, 1071-2, 1104, 1105, 1127-8, 1144-5, 1181
Police officers and prison guards, 1084, 1091-2, 1093, 1103, 1105, 1118-19, 1132, 1149, 1171, 1174
Psychopathic killers, 1149
Recidivism, 1085
Recommendation by jury, 1109, 1118, 1195, 1196
Rehabilitation, 1085, 1125, 1127-8, 1147
Royal prerogative, 1093, 1098, 1099, 1100, 1120, 1128, 1174, 1175
Sanctity of life, 1131-2, 1145
Social problems leading to criminal life, 1150
The Unexamined Death, by Hans W. Mattick, 1134
Underworld killings, 1195, 1196
Speakers: Honourable Senators
Argue, Hazen, 1076, 1081-3, 1104, 1181-4, 1206-7
Beaubien, L.P., 1116-17, 1198
Buckwold, Sidney L., 1109, 1197
Cameron, Donald, 1171
Carter, Chesley W., 1085-7
Choquette, Lionel, 1075-6
Connolly, John J., 1128-30
Croll, David A., 1096-8
Deschatelets, Jean-Paul, 1104-6, 1107, 1144
Desruisseaux, Paul, 1120-1
Everett, Douglas D., 1199, 1200-1
Flynn, Jacques, 1171-2, 1186-7, 1189, 1192, 1193, 1199, 1205, 1209-10
Forsey, Eugene A., 1187-8, 1193, 1194
Graham, B. Alasdair, 1093-6
Grosart, Allister, 1167-9, 1182, 1187, 1189, 1192
Hastings, Earl A., 1125-8, 1144-5
Hayden, Salter A., 1198-9
Laird, Keith, 1148-9
Lamontagne, Maurice, 1098-1100, 1101, 1189
Lang, Daniel A., 1102-3, 1104
Langlois, Leopold, 1117-20
Macdonald, John M., 1170
Macnaughton, Alan (Chairman, Committee of the Whole), 1176, 1181, 1189-91, 1192, 1193, 1194, 1205
Manning, Ernest C., 1092-3, 1196
Martin, Paul, 1146-8, 1191, 1202, 1203, 1204
McIlraith, George, 1069-74, 1172-5, 1184-6, 1187, 1197-8, 1201, 1205
Molson, Hartland de M., 1090-2, 1104, 1195, 1196, 1199-1200, 1204
Neiman, Joan, 1130-4
Norrie, Margaret F., 1107-9
O'Leary, M. Grattan, 1144-6, 1148

Criminal Code (Capital punishment) – *Concluded*
Speakers: Honourable Senators – *Concluded*
Perrault, Raymond J., 1083-5, 1198
Phillips, Orville H., 1087
Quart, Josie D., 1169-70
Rowe, Frederick William, 1188
Stanbury, Richard J., 1121-2
Thompson, Andrew E., 1172
Williams, Guy, 1149-50

Criminal Code bill C-2 (Capital Punishment). 1r, 1053; 2r, 1069-77, 1081-7, 1090-1101, 1102-9, 1116-22, 1125-34, 1144-50, 1167-75; vote on m for 2r, 1175; 2r, 1175; considered in Committee of the Whole, 1176, 1181-1205; (amdts proposed, 1182-4, 1193-4, 1195-1204, 1206-7); rep without amdt, 1205; 3r, 1209-10; r.a., 1268

Criminal Code (Control of weapons and firearms)
Age limit for registrants, 370
Arguments for and against gun control, 245-7
Assassinations of prominent persons, 258
Breakdown of discipline and morale in society and in schools, 241-2
Drug addiction vs crime and violence, 259
Farmers' ownership of guns, 247-8
Gun clubs and recreational use of guns, 370
Homicides, suicides, accidents, 243, 361
Media articles re firearms
Calgary Herald, 241
Fred Annesley, Montreal freelance writer, 355-6
Globe and Mail, 353
Guns magazine, 355
Ottawa Citizen, 241
Toronto Star, 353
Windsor Star, 241
Parole of dangerous criminals, 241
Permits, duration of, 370
Profiteering from sale of arms, 'legitimate' drugs, tobacco, 259-60
Registrars, 370
US record of violence, 242-5, 258-9, 353
Firearms deaths vs war dead, 242
Gun Control Act (1968), 245
Increase in gun crimes (1964-71), 244
Speakers: Honourable Senators
Cameron, Donald, 240-7, 369-71
Carter, Chesley W., 367-8
Davey, Keith, 353-6
Forsey, Eugene A., 363-5
Hicks, Henry D., 369
Macdonald, John M., 271
Manning, Ernest C., 247-8
Molgat, Gildas L., 368-9
Paterson, Norman McL., 368
Prowse, J. Harper, 360-3
Rowe, Frederick William 258-60

Criminal Code bill S-2 (Control of Weapons and Firearms). 1r, 169; 2r, 240-8, 258-60, 271, 353-6, 360-5, 367-71; ref to com, 371

Croll, Hon. David A.
Committees, chairmanship of two committees occupied by one Senator, 172-3
Cooperative Credit Associations bill C-183, 1122
Criminal Code bill C-2 (Capital Punishment), 1096-8
Foreign investment in Canada, 586
Forgery, legal aspects of forger's admission to, 193
Frost, Hon. Leslie M., the late, 568
'Members of Parliament and Conflict of Interest', Green Paper ref to Commons com, 1226
Old Age Security bill C-147, 445-8
Excerpt from speech of Hon. Marc Lalonde, 447, 448
Recommendations of Poverty Committee, 172-3
Pension bill C-202, 768-9
Basic pension vs rates for unskilled labour, 767-8
Poverty, Special Senate Committee
Expenses, report tabled, 102
Railways, failure of employees to return to work after passage of Bill C-217, 994
Science Policy, Special Senate Committee, 172-3
Selection Committee report re members of Standing Committees, 142
Senate reform, 234, 316-24
Canadian affairs, committee and subcommittees for, 324
Committee work, 319-20; Aging, 319-20; Consumer Affairs, 320; Land Use, 319; Manpower and Employment, 319; Mass Media, 320; Poverty, 320; Science Policy, 320
Committees, chairmen and members, 324
Government Leader and Opposition Leader, 323; tenure of office, 323; retirement age, 323
Minister without portfolio as liaison with government, 323
Political affiliations, 322-3
Provincial distribution, 322
Retirement age for Senators, 323
Speaker, 323
Veto power, 322
White Paper on Senate Reform, excerpt from speech of Hon. John J. Connolly, 317-18
Unemployment Insurance bill C-124, 202, 204

Crop insurance
Administrative difficulties, 1051
Increase in federal contributions, 1050
Statistics on participants and benefits, 1051
Speakers: Honourable Senators
Norrie, Margaret, 1050-1
Yuzyk, Paul, 1051-2

Crop Insurance bill C-129. 1r, 1033-4; 2r, 1049-52; 3r, 1052; r.a., 1052

Crown Liability Act, see Protection of Privacy bill C-176

Customs
Regina vs The Canadian General Insurance Company and Logistec Corp. et al, 1113
Responsibility of shipping company and agent, 1113, 1135
'Short-landed goods', 1113

Customs – *Concluded*
Speakers: Honourable Senators
Connolly, John J., 1112-13, 1114, 1135-6
Grosart, Allister, 1113, 1114, 1123

Customs bill C-189. 1r, 1079; 2r, 1112-14, 1122-3, 1134-6; ref to com, 1136; rep without amdt, 1181; 3r, 1209; r.a., 1268

Customs tariff (Bill C-172)
Aid to developing countries, 538, 550
Countries qualified for preferences, 538, 549, 550
Imports to Canada, types and values, 538-9
Tariff changes, 539
UN Conference on Trade and Development, 538
Speakers: Honourable Senators
Connolly, John J., 537-40, 550
Grosart, Allister, 548-9

Customs Tariff bill C-172 (No. 1). 1r, 537; 2r, 537-40, 548-50; ref to com, 550; rep without amdt, 551; 3r, 556; r.a., 566

Customs tariff (Bill C-195)
Consumer price indices (1972-73), 910, 911
Petroleum fuel oil, 910
Plywood, 899, 909
Removal of tariffs on certain items and Schedule A of Act further amended, 898-9
Sugar, 908
Speakers: Honourable Senators
Buckwold, Sidney L., 898-9, 900, 909-11
Burchill, G. Percival, 899
Grosart, Allister, 899-900, 907-9, 910

Customs Tariff bill C-195 (No. 2). 1r, 890; 2r, 898-900, 907-11; 3r, 923; r.a., 970

Davey, Hon. Keith
Criminal Code bill S-2 (Control of Weapons and Firearms), 353-6
Article by Fred Annesley, freelance writer in Montreal, 355-6
Globe and Mail editorial, 353
Gun magazines from US, influx into Canada, 354-5
Excerpt from 'Guns', 355
Toronto Star editorial, 353
US gun ownership and record of violence, 353

Deaths, see Tributes

Debates of the Senate, correction in translation, 476

Denis, Hon. Azellus, P.C.
Address in reply to Speech from the Throne, 85-87
Cooperative Credit Associations bill C-183, 1109-11
Auditor's qualifications, 1110
Income tax, 1110-11
Membership in and powers of association, 1110
Economic policies of government, 86-87

Denis, Hon. Azellus, P.C. — *Concluded*
Election Expenses bill C-203, 1413-15, 1440-2
Auditing of financial statements of registered political party, 1414, 1441
Limitation on expenditures, 1414
Offences punishable by fine, 1415, 1441
Reimbursement to candidates, 1414
Tax credit contributions, 1413-14
Electoral Boundaries Readjustment bill C-228 (LaSalle), 1295-6
Federal-provincial conferences, 87
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 86
Inflation, 87
Old Age Security bill C-147, 440-3, 469, 476
Basic pension for single and married persons, 441-2
Costs of increase, 442
Income tax, 442
Statistics on income of people 65 yrs. and over, 442
Radio and television commercial advertising in Canada, 922

Deschatelets, Hon. Jean-Paul, P.C.
Appropriation bill No. 1, 1973 C-141, 300
Criminal Code bill C-2 (Capital Punishment), 1104-6, 1107, 1144
Bail privileges, 1106
Commutations, 1106
Evidence Act, reviewing of, 1106-7
Judiciary administration, 1105
Parole, 1104, 1105, 1144
Police officers and prison guards, 1105
Immigration Appeal Board bill C-197, 884-7
Backlog of appeals, 885, 887
Deportation, 885-6
Landed immigrants, 885, 886
Refugees, 886
Olympic Summer Games (1976) bill C-196, 958-61, 964-6
Protection of Privacy bill C-176, 1506-7
Radio and television commercial advertising in Canada, 921-2

Desruisseaux, Hon. Paul
Address in reply to Speech from the Throne, 60-63
Armed forces service to Canada, 63
Criminal Code bill C-2 (Capital Punishment), 1120-1
Commutations, 1121
Deterrent aspect, 1121
Royal prerogative, 1120
Election results and reactions, 61-62
European Community, 1056-9
Canadian mission to Community, 1056-7
Exports and balance-of-trade position of Canada, 1056
Framework for future of Community, 1056
Preferential agreements, danger of discrimination toward other nations, 1056
UK entry, effects of, 1057
US, bilateral trade agreement with, 1059
Export Development bill C-3, 565
Income and profit of corporation, 564

Desruisseaux, Hon. Paul – *Concluded*
Federal-provincial conferences, 63; Western provinces, 63
Fitness and amateur sports, 62-63; Olympics, 62-63
Foreign Investment Review bill C-132, 1271-4
Economic factors related to foreign investment, 1271-4
Federal-provincial agreement, 1273
Restrictions imposed by bill, 1273
Reviewing process, 1271-2
Labour-intensive projects proposed by government, 62
Pearson, Right. Hon. Lester Bowles, the late, 61
Senate reform, 485-8
Committee work, 487
Initiation of legislation, 487
Precedents of suggestions or debates on Senate reform, 486
Small businesses and other areas of industry, aid to, 62
Social security, 62
Tax reform, 62
Trade
Canada's development as a manufacturing nation, 667-70
Multinational corporations, 668
Purchasing power, 668-9
Regional economic problems, 669-70; Atlantic provinces and Quebec, 669
European Community, 61
Oil and gas import quotas, 61

Documents tabled, see Journals of the Senate

Drew, Hon. George Alexander, former Premier of Ontario, the late, 5-6, 41, 46

Drugs
Drug addiction vs crime and violence, 259
Excerpt from statement of Netherlands' delegate at IPU conference, 335
International system of control, suppression of illicit traffic, prevention, treatment and social rehabilitation, 345-6
Marijuana, 335-6
Profiteering from sale of 'legitimate' drugs, 259-60
Resolutions adopted at IPU conference, 343

Duggan, Hon. James
Transportation, Eastern Canada, 1394-5

Economic conditions and prospects
Banking reforms to assist industrial development, 74
Bankruptcies of Canadian companies, 858
Corporate profits, 1000
Economic Council of Canada definition of performance goals for economy, 1000-1
Effect of UK entry into EEC, 70
Financial picture of government, 1001
Food prices, 1005-6; subsidy for destruction of fowl, 1005
Government policies, 86-87, 88-90
GNP and industrial growth, 1000-1
GNP vs rising costs, 127

Economic conditions and prospects – *Concluded*
Housing and urban development, 69, 72
Inflation, 21-22, 32, 855, 1002-5, 1039-40, 1044-9
Labour force statistics, 1001
Low productivity per employed person, 153
Statistics (1962-71), 21
Unemployment, 21, 22, 855, 1001-2; regional breakdowns, 1002
US trade, 151
Wage and price controls, 89-90, 1002-4; US, 89

Economic Council of Canada, 10th annual review
Study by Senate com proposed, 1226-7

Education, general data
Bilingualism in the Public Service, 74-75, 76-77
Costs and quality of, 137
Developing countries, 343, 349
Management training, 70-71
Official languages training, 75, 77
Pearson College of the Pacific, 265, 493-4
Resignation of Hon. John Nichol from Senate to take on duties of College Chairman, 489-5
Post-secondary education costs, 126
Teachers and university professors, public image of, 241-2
Teenagers on welfare, 242
United World Colleges, 264-6
Vocational training in relation to employment, 346-7

Education, post-secondary schools and universities, 248-56, 274-5, 281-6, 606-11, 619, 689-94, 953-6
Atlantic provinces transfer payments, 251, 607
BNA Act provisions re education, 251, 607
Canada Council grants, fees and student loans, 251-2, 609-10
Comments of Rt. Hon. Louis St-Laurent, 250
Education vs teaching skills, 284
Enrolment in post-secondary institutions, by provinces, 608, 612
Enrolment statistics, 955
Estimated total and per capita values of transfers to provinces under proposed conversion formula (1974-75 to 1978-79), 608, 616
Expenditures on high schools and universities, 274-5, 283
Federal-provincial conferences, 608; non-involvement of teachers and professors, 611
Financing of Higher Education, conference on, excerpt from speech by the late former Prime Minister Pearson, 606-7
Full-time enrolment in post-secondary institutions, by provinces, 608, 612
Illustration of the working of the levelling formula, 609, 617
Jurisdiction in educational fields, 956
Medical and dental education, 254
National Research Council, 249, 255-6
Newfoundland and Labrador, 692-3
Transportation costs, 693
University enrolment, 693
Non-acceptance of federal assistance to provinces, 693
Nova Scotia, 251-4
Pearson formula, 250, 252, 253

Education, post-secondary schools and universities – *Concluded*
Population aged 18-24 by provinces (1966-1984), 615
Provincial interchange of students, 251-2, 255
Quebec, 285-6
Regina Leader-Post article, 955
Regional disparities, 282-3
'Universities and Governments under Canadian Federalism,' excerpt from Journal of Politics, 253
University operating costs, 607
Value of post-secondary education eligible operating expenditures and fiscal transfers by provinces (1967-68 – 1973-74), 613-14
Veterans' rehabilitation programs, 955
Speakers: Honourable Senators
Asselin, Martial, 284-6
Cameron, Donald, 255-6
Connolly, John J., 610
Forsey, Eugene A., 281-4, 285, 610, 611
Graham, Bernard A., 253-4
Grossart, Allister, 611
Hicks, Henry D., 248-56
Martin, Paul, 606-11, 619
Norrie, Margaret F., 953-6
O'Leary, M. Grattan, 274-5
Rowe, Frederick William, 255, 689-94

Election expenses
Auditing of financial statements of registered political party, 1414, 1430, 1436, 1441
Barbeau Commission, 1433-4, 1436
Broadcasting provisions, 1433-4, 1439-40
Corporate donations, 1430-1
Dependence of major parties on business community, 1431
Disclosure of contributions, 1431-2, 1433
Expenditures, figures quoted, 1437
Fund raising methods, 1429-30
Limitation on expenditures, 1414, 1432, 1433, 1435, 1438
Offences punishable by fine, 1415, 1441
Reimbursement to candidates, 1414
Statutes of Canada concerning electoral matters, 1416, 1421-6
Subsidizing of parties, 1433-4
Tax credit, 1413-14, 1432
Speakers: Honourable Senators
Asselin, Martial, 1435-7
Denis, Azellus, 1413-15, 1440-2
Fournier, Edgar E., 1415-16, 1421-6
Godfrey, John M., 1428-35, 1437
Molgat, Gildas L., 1437-8
Perrault, Raymond J., 1439-40
Phillips, Orville H., 1438-9

Election Expenses bill C-203. 1r, 1413; 2r, 1413-16, 1428-42; 3r, 1445; r.a., 1517

Electoral Boundaries Readjustment bill C-31 (Lachine). 1r, 315; 2r, 365-6; 3r, 367; r.a., 439

Electoral Boundaries Readjustment bill C-156 (Waterloo). 1r, 315; 2r, 366 (see also 365); 3r, 367; r.a., 439

Electoral Boundaries Readjustment bill C-208 (Suspension of Act). 1r, 918; 2r, 923-5, 927-9; 3r, 940; r.a., 970

Electoral Boundaries Readjustment bill C-222 (Peel South). 1r, 1053-4; 2r, 1076-7; 3r, 1081; r.a., 1268

Electoral Boundaries Readjustment bill C-228 (LaSalle). 1r, 1226; 2r, 1295-6; 3r, 1302; r.a., 1359

Electoral Boundaries Readjustment bill C-232 (Ottawa East). 1r, 1226; 2r, 1296-7; 3r, 1302; r.a., 1359

Emergency gold mining assistance
Competition and price of gold in world markets, 556-7
Statistics on assistance to gold-mining operations, 557
Speakers: Honourable Senators
Belisle, Rheal, 557-9
Bourget, Maurice, 556-7
Martin, Paul, 559

Emergency Gold Mining Assistance bill C-130. 1r, 551; 2r, 556-9; 3r, 559; r.a., 566

Emergency sittings of Senate
Motion to convene Senate during adjournment, 103, 144
Parliament recalled to deal with maintenance of railway operations, 976-84

Energy resources
Ban on exports to US, Economist article re, 856-7
Crude oil and natural gas, proposed national policy, questions, 1017
Export of Canadian crude oil to the US, 1142-3; statistics, 1972-73, 1154; Canadian oil supply (current) and demand fact sheet, 1155
Gasoline and fuel oil, export controls, 720
Government study on, 797
Oil shipments, navigational and pollution hazards, 1143-4, 1227-8
Shortage of petroleum products in Canada, question, 1428
Transshipment for domestic heating, temporary storage, heating oil shortage, 1144, 1228, 1245

Energy supplies emergency
Energy Supplies Allocation Board, 1511-13
Exploration and development programs in the Mackenzie Basin, Arctic and offshore areas, 1511
Oil exports allowed by government during crisis, 1513-14
Oil prices, 1515
Rationing, government authority re, 1512
Speakers: Honourable Senators
Hastings, Earl, 1510-12
Macdonald, John M., 1512-13
Phillips, Orville H., 1513-15

Energy Supplies Emergency bill C-236. 1r, 1459; 2r, 1510-15; 3r, 1515; r.a., 1517

Environmental problems
Air quality, 139
Daily waste and garbage, disposal in countryside, 139
Developing countries, 333-4, 348
Discussions at IPU conference, 331-4, 347-9

Environmental problems – *Concluded*
Dunville, explosion at fertilizer plant and seepage of acid into Grand River, 407
Ecological-Environmental Treaty, 373
Environmental and ecological policies, 22
Great Lakes, 139
Life Sciences Centre, Dalhousie University, research projects, 22
Marine environment, 332-3, 347
Morrison's Cove, N.B., Globe and Mail article re, 140
Oil shipments, navigational and pollution hazards, 1143-4, 1227-8
State responsibility, 332, 347, 348-9
Trail smelter and Gut Dam cases, 332

Estimates, 189-91, 211-13, 228-9, 235-7, 293-308, 309-12, 377-80, 385-91, 396-404, 750-2, 761-3, 773-6, 1218-24, 1266-7, 1290-1
Adult occupational training, 236
Borrowing authority, 416-17
Breakdown of expenditures for various items, 775
Canadair Ltd., 378, 385
Canadian Broadcasting Corporation, 378, 379
Compensation to Atlantic Salmon fishermen re closure of fishery, 235
Conference of representatives of both houses, suggestion for, 300, 306
Contradiction between main estimates and appropriation bill, 779
Debts due the Crown, 1220
Dollar items, 190, 295, 385-91, 400-1, 403, 411, 413, 414, 415, 1220
Supplementary estimates (A) 1973-74, 1332-6
Environment Dept., 235, 1220
Expenditures vs GNP, 397, 401, 403-4, 411, 412, 777-9, 780
External affairs, 1220-1
Federal Labour Intensive projects, 190
Finance Dept., 1222
Governor General's warrants, 190, 295-6, 305-6
History of supplementary estimates (1967-74), 1218
Hopper cars leased to railways, 236
Hospitals, 778
Increase in government budget (1964-72), 377, 379, 397
Indian Affairs and Northern Development Dept., 1221-3
Industry, Trade and Commerce Dept., 400, 415, 1222
Information Canada, 397, 751, 762, 773-4, 890
Justice Dept., 1223
Labour Dept., 1223
Leases of premises for government depts., 751-2, 761, 763
Legality of expenditures not covered by resolution for main estimates, question of, 779-80
Loans, investments, advances, 191, 774-5
Local initiatives and on-the-job training, 190, 229, 294
Manpower and Immigration Dept., 294
Metropolitan Area Growth Investments Ltd., 236
National accounts of selected OECD countries (1968), 411, 780
National debt and interest on, 397-8, 403, 414, 774
National Health and Welfare Dept., 1223-4
National Theatre School, 295, 305
New Horizons Program, 294
Northern Administration and Lands Branch, 304

Estimates – *Concluded*
Northern Transportation Co., loan for purchase of barges, 236
Pilotage Authority contracts, 237
Polymer Corporation, sale to CDC, 378, 380, 385, 399-400, 403, 413-14, 415
Protection of Canada, North American Defence, 399
Public Service employment, 297, 305
Questions asked in committee, 235-7, 385, 1219
Regional Economic Expansion Dept., 1223
Renewable Resources Program, 398-9
Salaries of MPs vs senior public servants, 397
Secretary of State Dept., recovery of education grants, 414
Social security, 411-12
Special programs, 304
Tax ratio in OECD countries (Average 1968-70), 411, 423
Treasury Board, 170, 296-7, 1223
Unemployment Insurance Commission, 190, 228-9, 294, 302, 305
Veterans Affairs Dept., 294, 1224
Winter Capital Projects Fund, 190, 228, 235, 295, 297, 303-4, 307

Estimates referred to National Finance Committee
Fiscal year ending Mar. 31/73, Supplementary (A), 145; rep of com, 189-91, 211-13, 228-9, 235-7
Fiscal year ending Mar. 31/73, Supplementary (B), 316; rep of com, 377-80, 385-91, 396-404
Fiscal year ending Mar. 31/74, authority for committee to examine and report on legislation prior to receipt of bills, 281; rep of com, 750-2, 761-3, 773-6
Fiscal year ending Mar. 31/74 Supplementary (A), 1102; rep of com, 1208, 1218-24, 1266-67

European Community, Brussels meeting, 630, 632, 633-41, 679-81, 700-2, 846, 867-70, 1012-16, 1017-22, 1055-60, 1077-8, 1087-9, 1297-1300
Agricultural policy, 701-2
Canada Business magazine article re EC, 634
Canada's participation, 1014-15, 1056-7, 1087-9
'Contemporary World History' and 'Growth of European Unity', 1013
Employment of interns from non-member countries, 1014
European Parliament, 635-6; delegation to Ottawa conference, 1088
Excerpt from article by Maurice Delarue in Le Monde, 700
Excerpts from testimony of Ambassador Schaetzel, 637, 638
Exploration and development of natural resources, scientific research and technology, 1088
Exports from Canada to member countries and future potential, 1018-19, 1056
Framework for future of Community, 1056
GATT, 639; multilateral trade conference, 868
Information office in Ottawa, 635, 681, 868, 1088
Interparliamentary Group, Canada-European Community, 636
Multinational corporations, 1088
Political, military and economic aspects, 635, 681, 868, 1013-14
Preferential agreements, danger of discriminations, 1056
Trading pattern of Canada with UK, 680; with EC, 868; primary and resource products, 868
UK entry, effects of, 1057
US, bilateral trade agreement with, 1059
Speakers: Honourable Senators
Aird, John B., 238-40, 867-70
Belisle, Rheal, 639-41
Buckwold, Sidney L., 1018-19

European Community, Brussels meeting – *Concluded*
Speakers: Honourable Senators – *Concluded*
Carter, Chesley W., 1297-1300
Desruisseaux, Paul, 1056-9
Grosart, Allister, 630, 632, 869-70, 1059-60, 1077-8
Lafond, Paul C., 700-2
Lapointe, Renaude, 1087-9
Macnaughton, Alan A., 633-8
Manning, Ernest C., 1019-22
Rowe, Frederick William, 1012-16
Sparrow, Herbert O., 679-81
Walker, David, 638

European Community, Canadian relations with, Foreign Affairs Committee authorized to examine and report on, 238-40
See previous item

Everett, Hon. Douglas D.
Address in reply to Speech from the Throne, 88-90
Appropriation bill No. 1, 1973 C-141, written opinion from Justice Dept. appended to Debates, 504, 523-6
Criminal Code bill C-2 (Capital Punishment), 1199, 1200-1
Crown corporations, tax on net income, 505, 553-4
Economic conditions and prospects, 1000-4
Corporate profits, 1000
Economic Council of Canada definition of performance goals for economy, 1000-1
Economic policies of government, 88-90, 1001
GNP and industrial growth, 1000-1
Inflation, 1002-4
Labour force statistics, 1001
Long-range planning, 90
Price controls, 1002-4
Unemployment, 89, 90
Wage and price controls, 89-90; US controls, 89
Estimates
Year ending Mar. 31/73 Supplementary (B), 377-80, 385-91, 399, 403-4
Canadair Ltd., 378, 385
Canadian Broadcasting Corporation, 378, 379
Dollar items, 385-91, 403
Expenditures vs GNP, 403-4
Increase in government budget (1964-72), 377, 379
Industry, Trade and Commerce, indemnity to company directors, 400
National debt and interest on, 403
Polymer Corp., sale to CDC, 378, 380, 385, 403
Questions asked in committee, 385
Year ending Mar. 31/74, 751-2, 761-3
Information Canada, 751, 762, 890
Leasing of premises for government depts., 751-2, 761, 763
See com report, 761-3
Year ending Mar. 31/74 Supplementary (A), 1208, 1218-24, 1266-7
Debts due the Crown, 1220
Dollar items, 1220-4

Everett, Hon. Douglas D. – *Concluded*
Estimates – *Concluded*
Year ending Mar. 31/74 Supplementary (A) – *Concluded*
External Affairs Dept., 1220-1
Finance Dept., 1222
History of supplementary estimates (1967-74), 1218
Indian Affairs and Northern Development Dept., 1221-3
Justice Dept., 1223
Labour Dept., 1223
National Health and Welfare Dept., 1223-4
Questions asked in committee, 1219
Regional Economic Expansion Dept., 1223
Treasury Board, 1223
Veterans Affairs Dept., 1224
Foreign Investment Review bill C-132, 1278, 1346-7
National Finance Committee, authority to publish and distribute report, 1362-3
Old Age Security bill C-217, 1000-4
Protection of Privacy bill C-176, 1500-02

Excise tax (Bill C-171)
Crates for live poultry, 540
Eye glasses, frames and contact lens, 540
Fishing industry articles, 540
Machinery and apparatus for manufacturing or production processes, 540-1, 550-1
Speakers: Honourable Senators
Grosart, Allister, 550-1
Lang, Daniel A., 540-1, 551

Excise Tax bill C-171 (No.1). 1r, 540; 2r, 540-1, 550-1; 3r, 554; r.a., 566

Excise tax (Bill C-194)
Children's wear, 895, 897
Exemptions from sales and excise tax, 895
Products from labour of handicapped persons, 896-7
Tax rebate to municipalities re incinerators, 895, 896
Toilet articles, cosmetics and jewellery, 896, 897
Speakers: Honourable Senators
Cameron, Donald, 897
Lang, Daniel, 895-7
Macdonald, John M., 896-7
Walker, David A., 897

Excise Tax bill C-194 (No.2). 1r, 880; 2r, 889, 895-7; 3r, 907; r.a., 970

Export development
Borrowing powers and authorized capital, 562-3
Foreign investment insurance, 562
Income and profit of corporation, 564
International banking, 562
Long-term financing for exporters, 562
National Defence Dept. sale of planes, 562

Export development – *Concluded*
Speakers: Honourable Senators
Connolly, John J., 564
Desruisseaux, Paul, 564
Flynn, Jacques, 563-4
Martin, Paul, 565
Molson, Hartland de M., 565
van Roggen, George, 562-3

Export Development bill C-3. 1r, 552; 2r, 562-5, 3r, 565, r.a., 566. See also 724-35

Export Development Corporation
Structure, policy and operations of, Banking, Trade and Commerce Committee authorized to make study of, 601
Rep of com, 716, 825. See appendix 724-35

External Affairs, see Foreign Affairs

Family allowances and youth allowances
Amounts payable out of CRF, 1048
Comments of Prof. John Crispo suggesting 'vigilant pressure point program', 1049
Food expenditures, 1039
Housing, 1047
Inflation, 1039-40, 1044-9
Milk subsidy, 1045-6
Non-taxable feature of allowances, 1040
Profiteering in business, 1047, 1049
Welfare allowances vs minimum wages, 1039-40
Workers incomes and corporation benefits, 1039
Speakers: Honourable Senators
Benidickson, W.M., 1045-8, 1049
Langlois, Leopold, 1039-40, 1048
Macdonald, J.M., 1044-5

Family Allowances and Youth Allowances bill C-223. 1r, 1033; 2r, 1038-40, 1044-8; 3r, 1048-9; r.a., 1052

Family allowances (Bill C-211)
Administration costs, 1305, 1318, 1321
Comfort allowances, 1319
Deficiencies in provincial administration, 1307, 1319
Foster homes and provincial agencies, 1306-7, 1308, 1321
Minister's discussions with provinces, amdt proposed, 1353-4
Provincial differentiations, 1304, 1318-19
School attendance, 1307
Working poor, 1303
Speakers: Honourable Senators
Argue, Hazen, 1306, 1307, 1319-20, 1353-4
Forsey, Eugene A., 1356
Langlois, Leopold, 1302-9, 1320-3, 1354-6
McElman, Charles, 1356
Phillips, Orville H., 1317-19
Quart, Josie D., 1309-10

Family Allowances bill C-211. 1r, 1292; 2r, 1302-10, 1317-23, 3r, 1353-7; r.a., 1359

Farm improvement loans
Guarantee against loss by lenders, 572
Increase in principal amount of loan, 571
Saskatchewan rural depopulation, 620
Statistics on loans (1968-72), 572
Terms, security for loans and interest rate, 572, 628-9
Speakers: Honourable Senators
Buckwold, Sidney L., 629
Choquette, Lionel, 718
Forsey, Eugene A., 719
Goldenberg, Carl, 720
Martin, Paul, 717, 718-19
McIlraith, George, 717-18
Molson, Hartland de M., 720
Sparrow, Herbert O., 571-2
van Roggen, George C., 719
Welch, Frank C., 628-9

Farm Improvement Loans bill S-5. 1r, 553; 2r, 571-2; 628-9; ref to com, 629; rep without amdt, 674; 3r, 674; bill removed from Commons Order Paper, 717-20, 851-2

Fauteux, Right Hon. Gerald, P.C., Chief Justice of Canada
Deputy Governor General at Opening of Session, 1
Royal assent, 167-8, 224, 480, 1267-8

Federal-Provincial Fiscal Arrangements bill C-233. 1r, 1225; 2r, 1266, 1279-81; 3r, 1293; r.a., 1359

Federal-Provincial Fiscal Revision Act 1964, see Federal-Provincial Fiscal Arrangements bill C-233

Felicitations
Aird, Hon. John B., appointment to Committee of Nine, 350
Cameron, Hon. Donald, publication of book 'No Small Plans, An Affectionate and Incomplete Biography' by Elizabeth Motherwell, 1301-2
Connolly, Hon. John J., P.C., twentieth anniversary of appointment to the Senate, 704
Crerar, Hon. Thomas A., P.C., Companion of the Order of Canada, 1420
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 16-17, 24, 29, 34, 38, 40, 45, 47, 56, 63, 69, 76, 82, 86, 93-94, 96, 107, 111, 125, 146, 150, 154, 157
Forsey, Hon. Eugene A., Chancellor of Trent University, 16
Fournier, Hon. Sarto, twentieth anniversary of appointment to the Senate, 704
Goldenberg, Hon. Carl, Chairman of Multiculturalism Conference and of Tri-Level Conference of Governments, 1069
Martin, Hon. Paul, Chancellor of Waterloo Lutheran University, 16
Martin, Hon. Paul, honorary degree from Seoul University, 1115
Molson, Hon. Hartland de M., elected to Hockey Hall of Fame, 715
Nichol, Hon. John, appointment to position of Chairman of Board of Governors of Pearson College of the Pacific, 492-5
Sullivan, Hon. Joseph A., athletic achievements, 1080
Yuzyk, Hon. Paul, publication of book 'For A Better Canada', 1301-2

Fergusson, Hon. Muriel McQueen, Speaker of the Senate
Brancker, Sir Theodore, President of Barbados Senate, and Mrs. Brancker, visitors to Senate, 973
British Columbia Nisgha Tribunal, visit of delegation to the Senate, 169

Fergusson, Hon. Muriel McQueen – *Continued*
Budget Speech, accommodation for Senators in Commons gallery, 257
Canadian Flag, motion to display Flag in Senate Chamber, agreed to, 257
Commission appointing Speaker of the Senate, 1
Echeverria, Luis, President of Mexico, visit to Parliament, 459-60
Emergency sitting, recalling of Senators during adjournment, question of privilege referred to Law Clerk, 161
Felicitations on appointment to office of Speaker, 16-17, 24, 29, 34, 38, 40, 45, 47, 56, 63, 69, 76, 82, 86, 93-94, 96, 107, 111, 125, 146, 150, 154, 157
Gandhi, Madam Indira, Prime Minister of India, visit to Parliament, 759
Hungary
Canadian Parliamentarians visit to, 830-3
Budapest, 830
Hungarians prominent in Canadian cultural life, 833
Industrial enterprises, 832
Parliament, 830-1
Trade, Canada-Hungary, 832-3
Visit of Foreign Affairs Secretary to Senate, 568
Interparliamentary Group, Canada-United States, 15th annual meeting, 527-9
Agenda, 527
Canadian delegation, 527
Energy, environmental and security affairs, 528-9
Indochina, 529; Canadian role in peace negotiations, 529
Trade and Monetary Affairs, 527-8
US delegation, 527
Library of Parliament, Joint Committee
Members, 160
Salary revisions, 966
Mexico, address by President of State of the Union, 1026
Middle East, UN Emergency Force, resolution approving participation of Canadian Forces, 1155; message to Commons, 1166
Newfoundland Book of Remembrance, speech at dedication of, 1064
Official languages, Commissioner's report, 169
Opening of First Session of Twenty-ninth Parliament, communications re, 1, 2
Printing of Parliament, Joint Committee, members, 160
Property qualification of Senators, supplementary return, 703
Regulations and Other Statutory Instruments, Joint Committee
Members, 142, 160
Notice of motion for production of papers, 440
Restaurant of Parliament, Joint Committee, members, 160
Royal assent ceremony, CBC photographing of, request denied, 958-9
Rules of the Senate
Debate procedure, 402
Orders and customs of Parliament, unwritten rule re reference to proceedings of the other place, 939
Orders of the Day, ruling on point of order re, 838
Personal, sharp or taxing speeches, 209
Question period, debate not permissible, 990
Reflection cast on the other house, excerpt from 'May' re such statements, 990
Suspension or adjournment of sitting, 268-9
Two days' notice of motion, 141

Fergusson, Hon. Muriel McQueen – *Concluded*
Senate
Business, 278, 974, 975, 995
Seating plan, 226
Senator speaking on matter on which judicial decision is pending, ruling re, 1391
Senators, new, introduced, 1, 1053, 1413

Finance Committee, see National Finance, Standing Senate Committee

Firearms, control of, see Criminal Code bill S-2

Fisheries
Cohoe salmon, Great Lakes, 139-40
Compensation delays re ban on commercial fishing of salmon, 97-98
Compensation to Atlantic fishermen on closure of fishery, 235
Freshwater Fish Marketing Corp., losses, 398-9
Seasonal unemployment, 203

Fisheries development
Fish-handling regulations, 933-4, 935
Ice-making and refrigeration facilities, 933
Rejection of fish by inspectors, 933, 934, 935, 936
Speakers: Honourable Senators
Carter, Chesley W., 932-4, 935-6
Macdonald, John M., 934, 935
Smith, Donald, 934-5

Fisheries Development bill C-4. 1r, 926; 2r, 932-6; ref to com, 936; rep without amdt, 939; 3r, 953; r.a., 970

Fitness and amateur sports
Olympic Games, 62-63, 73
Costs, 73; article from Ottawa Citizen, 73
See Olympic Summer Games (1976) bill C-196

Flag, motion to display Canadian Flag in Senate Chamber, agreed to, 257, 505

Flynn, Hon. Jacques, P.C., Leader of the Opposition in the Senate
Address in reply to Speech from the Throne, 29-33
Agriculture, Standing Senate Committee, 276-7
Aird, Hon. John B., appointment to Committee of Nine, 350
Alberta Legislature representatives, visitors to the Senate, 683-4
Appropriation bill No. 1, 1973 C-141, 302-5, 307-8
Appropriation bill No. 2, 1973 C-166, 414-15
Appropriation bill No. 3, 1973 C-167, 417
Appropriation bill No. 4, 1973 C-204, 779-80
Consumer Credit, Joint Committee, salaries and expenses, 258, 351
Criminal Code, abolition of capital punishment, question, 15
Criminal Code bill C-2 (Capital Punishment), 1171-2, 1186-7, 1189, 1192, 1193, 1199, 1205, 1209-10
Deterrent aspect, 1171
Police officers and prison guards, 1171
Economic Council of Canada, 10th annual review, study by Senate com proposed, 1226-7

Flynn, Hon. Jacques, P.C. – *Continued*

Electoral Boundaries Readjustment bill C-222 (Peel South), 1076-7
Electoral Boundaries Readjustment bill C-232 (Ottawa East), 1296
Emergency sitting, recalling of Senators during adjournment, 160-1
Estimates year ending Mar. 31/73, 302-5, 310-11, 312, 400
Dollar items, 400, 415
Excerpts from speech by Finance Minister, 303
Governor General's warrants, 305
Industry, Trade and Commerce Dept., indemnity to company directors, 400, 415
Local initiatives and on-the-job training, 229
Northern Administration and Lands Branch, 304
Special programs, 304
Unemployment insurance, 228-9, 302, 305
Winter capital projects, 228, 303-4
Estimates year ending Mar. 31/74, 779-80
Contradiction between main estimates and appropriation bill, 779
Expenditures not covered by main estimates, question of legality of, 779-80
Export Development bill C-3, 563-4
Borrowing powers of corporation and authorized capital, 562-3
Long-term financing for exporters, 562
National Defence Dept., sale of planes, 563
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 718, 719
Federal election results and consequences, 30, 36; Quebec, 30-31
Federal-Provincial Fiscal Arrangements bill C-233, 1281
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 29
Foreign affairs, meeting between Hon. Mr. Sharp and Mr. Gromyko, 1167
Foreign investment in Canada, 585
Foreign Investment Review bill C-132, 1281-4, 1340-2, 1347-8, 1349, 1352-3
Appeals, 1283
Constitutionality of bill, question of, 1283
Provincial concurrence, 1283
M in amdt, 1340-1, neg, 1345-6; further m in amdt, 1347, neg. 1350-1
Government policies and deficiencies, 30-33
Income Tax bill C-170, 547
Income Tax bill C-192, 852-3, 862, 863, 870, 881-4
BNA Act provisions in relation to passage of bill, 853, 881-4
Service industries, discrimination against, 852
US-controlled corporations, benefits to, 852
Income Tax bill C-193, 844, 845-6, 863-4
Exemptions for single and married persons, 863
Fixed incomes, 864
Returns filed and taxable, (1969-72), 864
Income tax, statistics on filing of returns, 663, 703-4
Inflation, 32
Interparliamentary Union, 60th annual conference, 518-19
Disarmament resolution presented by Yugoslavia, 519
Warsaw Pact nations, 518-19
Johnson, Lyndon B., the late, 101
Legal and Constitutional Affairs Committee, meeting notices, question of privilege re, 1292
Legislation
Appropriation bills, suggestion for re-naming of, 417
BNA Act provisions re legality of vote, resolution, address or bill, 853

Flynn, Hon. Jacques, P.C. – *Concluded*
Legislation – *Concluded*
Delay in Senate receipt of bills, 186, 196-9, 214-15, 852
Government 'mismanagement' in dealing with bills, 163-4, 165-6, 214-16
Introduction of bills in the Senate, 225
Protest against comments re Senate passage of bill C-259, 547
Maintenance of Railway Operations bill C-217 (1973), 979-81
Molson, Hon. Hartland de M., elected to Hockey Hall of Fame, 715
National Parks bill S-4, 619-21
Authority of Governor in Council to add Crown lands to National Parks, 620
Federal-provincial liaison in parks programming, 620-1
Traffic control, 620
Yukon and Northwest Territories, 620
Nichol, Hon. John, resignation from the Senate, 493
Official languages, principles re Public Service employees, 698-9
Old Age Security bill C-217, 1010-12
Pearson, Right Hon. Lester Bowles, the late, 4
Pilotage bill C-127, 163-4, 165, 166
Validity of by-laws and regulations, 163
Provincial and Territorial Representatives visitors to Senate, 1116
Rules of the Senate
Committee meetings during Senate sittings, 696
Postponement or adjournment of debate, 815, 817
Two day's notice of motion, 556, 560
St-Laurent, Right Hon. Louis Stephen, the late, 951-2
Science Policy Committee, 172, 173
Appointment, question of privilege, 173
Commission on the Future, 916
Report, Vol. 3, release to press before presentation in Senate, 1008
Selection Committee report on members of Standing Committees, 141-2
Senate
Business, 277-8, 926, 973, 974-5, 976, 986, 987, 988, 989-90, 991-3, 1310
Committee work, point of order on relevance of remarks re, 189
Suspension or adjournment of Senate, motion re, 266-9
Shackleton, Lord, British House of Lords, visitor to Senate, 1034
Transport and Communications Committee, meetings during Senate sittings, 839, 840
Truman, Harry S., the late, 6
Unemployment insurance, 32
Unemployment Insurance bill C-124, 186, 187, 189, 193, 195, 196-9, 200, 214-16
Delay in receipt of bill, 186, 196-9
Governor General's warrants, 197-8
Vietnam Cease-fire Agreements, Canada's role in, 118-20, 350
West Coast ports operations, question, 16

Foreign affairs
Committee of Nine, appointment of Hon. John B. Aird to, 350
European community, 151, 238-40, 630, 632, 633-41, 679-81, 700-2, 846, 867-70, 1012-16, 1017-22, 1055-60, 1077-8
India, visit of Prime Minister Gandhi to Parliament, 736, 750, 756-60
Interparliamentary Group, Canada-United States, 15th annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9, 829
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 911, 922-3, 942-8, 949

Foreign affairs – *Concluded*
Interparliamentary Union, 60th annual conference, 329-49, 518-19
Meeting between Hon. Mr. Sharp and Mr. Gromyko, 1167
Mexico, visit of President Echeverria to Parliament, 440, 452-60
Middle East, participation of Canadians in UN Peacekeeping Force, 344-5, 1081, 1155-66
Tanzania, Kenya and South Africa, visit of Canadian businessmen to, 712-14, 797-808
Vietnam
Cease-fire Agreements, 118-20, 217-24, 226-8, 504-5, 542, 611, 665-6, 671-2, 829-30
Peace negotiations, disclosure in Pentagon Papers of role of Hon. Paul Martin during 1964-66, 840
Visit of Canadian Parliamentary Mission, 350-1, 418-22, 429-39, 602-6, 643-6, 829

Foreign Affairs, Standing Senate Committee
Adjournment from place to place, 313
European Community, com authorized to make study of, 238-40; budget, 214, 291
Meetings during Senate adjournments, 293
Meetings during Senate sittings, 257
Pacific Region, budget re study of, 214
Reports
European Community, 630, 632, 633-41, 679-81, 700-2, 846, 867-70, 1012-16, 1017-22, 1055-60, 1077-8, 1087-9, 1297-1300
Terms of reference, 584

Foreign Investment in Canada
Banking, Trade and Commerce Committee authorized to make study of subject, 584-6; rep of com, 867, 873-9

Foreign investment review
Appeals, 1232, 1264-5, 1283
Boards of directors of subsidiary firms in Canada, 1265-6
Canada's Declaration of Less Dependence, article in Harvard Business Review, 1255-6
Canadian Manufacturer's Assoc. presentation to committee, 1264
Commons amdt to Bill C-132, 1232, 1240
Constitutionality of bill, question of, 1283, 1285, 1288-9
Control of Canadian business by other than Canadians, 1229, 1248-9, 1257-8
Criteria re proposed takeovers or new investments, 1285
DISC program, 1263-4
DREE, 1286-7
Economic aspects of foreign investment, 1249, 1250, 1271-5, 1279
Energy resources, crisis in oil industry, 1278
Federal-provincial agreements, 1273, 1283
Gray report, 1258-9
Investment companies exemptions, 1265
Nationalism and multinational enterprise, 1249
Newfoundland and Labrador, foreign investment in, 1259, 1286
Newfoundland Industrial Development Dept. letter, 1234
Non-eligible persons, establishing businesses in Canada, 1230-1, 1288
Presumption of control, 1252
Provincial industrial economic policy objectives, 1230
Quebec brief, 1223
Real estate purchases, 1232
Reviewing process, 1231
Saskatchewan, 1286

Foreign investment review – *Concluded*
Senate com recommendations, 1263-4
Takeovers contrary to national interest, 1259
Technology interchanges, 1263
Veto rights, 1264
Speakers: Honourable Senators
Beaubien, L. P., 1344-5
Buckwold, Sidney L., 1278-9
Choquette, Lionel, 1348
Connolly, John J., 1256-8, 1342-3
Cook, Eric, 1258-62
Desruisseaux, Paul, 1271-4
Everett, Douglas D., 1278, 1346-7
Flynn, Jacques, 1281-4, 1340-2, 1347-8, 1349, 1352-3
Forsey, Eugene A., 1345
Godfrey, John M., 1262-6, 1348
Goldenberg, Carl, 1348-9
Grosart, Allister, 1247-56
Hayden, Salter A., 1228-35, 1252, 1253, 1254, 1288-90, 1337-40, 1351-2
Lang, Daniel, 1274-7
Manning, Ernest C., 1343-4
Martin, Paul, 1284-5
McDonald, A. Hamilton, 1285-7
McElman, Charles, 1349-50
van Roggen, George C., 1347

Foreign Investment Review bill C-132. 1r, 1225; 2r, 1228-35, 1247-66, 1270-9, 1281-90; ref to com, 1290; rep without amdt but with recommendations, 1337-40; m for 3r, 1340; m in amdt, 1340-5, neg, 1345-7; further m in amdt, 1347-51, neg, 1351; 3r, 1351-3; r.a., 1359

Forgeries
Canadian Labour Reformation Service, letters purported to be written by Hon. Mr. Lawson and by President of Canadian Labour Congress, 191-3
Illegal use of Post Office facilities, 192
Interviewing of admitted forger on news media, 192
Threats to Prime Minister and others, 192

Forsey, Hon. Eugene A.
Address in reply to Speech from the Throne, 111-15
British North America Acts 1867-1965 bill S-3, 995-6
Canadian companies in Republic of South Africa, wage practices, 1176-80
Chancellor of Trent University, appointment to office of, 16
Chile, death of President Allende, 1026
Constitution of Canada, federal disallowance of provincial statutes, 788-92, 813
Crerar, Hon. Thomas A., P.C., Companion of the Order of Canada, 1420
Criminal Code bill C-2 (Capital Punishment), 1187-8, 1193, 1194
Amdt proposed, 1193, 1194
Criminal Code bill S-2 (Control of Weapons and Firearms), 363-5
Education, post-secondary schools and universities, 281-4, 285
BNA Act provisions re education, 281, Section 93, translation of, 281-2
Expenditures of schools and universities, 283
Provincial interchange of students, 282

Forsey, Hon. Eugene A. – *Concluded*
Education, post-secondary schools and universities – *Concluded*
Quebec, 285
Regional disparities, 282-3
Teaching skills, 284
Electoral Boundaries Readjustment bill C-31 (Lachine), 365-6
Electoral Boundaries Readjustment bill C-156 (Waterloo), 366 (see also 365)
Estimates, 400-1
Dollar items, 400-1
Expenditures vs GNP, 401
Family Allowances bill C-211, 1356
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 719
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 111
Foreign Investment Review bill C-132, 1345
Frost, Hon. Leslie M., the late, 568
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 948
Isnor, Hon. Gordon B., the late, 359
Middle East, UN Emergency Force, participation of Canadian Forces, 1160
Minority government, 112-15; Party affiliation, 114
Monture, Dr. Gilbert C., O.B.E., the late, 764
Olympic Summer Games (1976) bill C-196, 964, 966
Post Office Department
Correspondence with Confederation of National Trade Unions re mail transport, 396
Postmaster General, title of, 396
Protection of Privacy bill C-176, 1481-5
Public Works Dept., Art Advisory Committee, 1167, 1210-11, 1238, 1241-4
Quebec racism, question of attacks on Conservative Party re, 114-15
Railways, failure of employees to return to work after passage of bill C-217, 994, 995
Regulations and Other Statutory Instruments, Joint Committee
Authority to sit during adjournments of the Senate, 890
Interim report, 1419
Quorum, 890
Senate business, 986-7
Senate reform, 512-18
Abolition of Senate, group reaction to statements re, 512-13
Age factor, 514
Initiation of money bills, 518
Provincial appointments, 513, 516
Western and Atlantic representation, 517
Supplementary Retirement Benefits bill C-220, 1036-8, 1043-4
Amounts payable out of CRF, 1037
Armed Forces, diplomatic service, members of Parliament, Public Service, RCMP, 1037-8, 1044
Benefits, stationary aspect, 1037
Ceiling on escalation of pensions of public servants and others, 1037
Widows of retired judges, 1037
Translation of speech at International Confederation of Free Trade Unions, 112
Transportation and freight rates, 484-5
Transportation, Eastern Canada, 1395-6
Unemployment Insurance bill C-124, 195, 197, 199-200
Governor General's warrants, 195, 197, 199-200; precedents cited, 199-200; provincial Lieutenant Governor General's warrants, 200
Vietnam Cease-fire Agreements, Canada's role in, 169, 223-4

Fournier, Hon. Edgar E.
Broadcasting
CBC payroll categories, 581
Radio and television commercial advertising in Canada, 921
Canadian National Railways
Derailments, number, location, cause and cost, 360, 580, 582-3
Loss of and damage to merchandise, insurance payments and disposal of goods, 712
Railway passes for Senators, question of privilege, 53-54
Election Expenses bill C-203, 1415-16, 1421-6
Statutes of Canada concerning electoral matters, 1416, 1421-6
Transportation and freight rates, 291-3
CNR and CPR, 292
Crown corporations, powers of, 292

Fournier, Hon. Sarto
Amplification system in Senate Chamber, 55
Appointment to Senate, twentieth anniversary, 704
Molson, Hon. Hartland de M., elected to Hockey Hall of Fame, 715
Railway passes for Senators, 54

Freight rates, see Transportation

Frost, Hon. Leslie M., former Premier of Ontario, the late, 567-8

Gandhi, Madam Indira, Prime Minister of India, visit and address to both Houses of Parliament, 736, 750, 756-9

Gasoline and fuel oil, see Energy resources

Godfrey, Hon. John M. (Introduced in the Senate Oct. 30/73)
Election Expenses bill C-203, 1428-35, 1437
Auditing of financial statements, 1430
Barbeau Commission, 1433-4
Broadcasting provisions, 1433-4
Corporate donations, 1430-1
Dependence of major parties on business community, 1431
Disclosure of contributions, 1431-2, 1433
Expenditures, figures quoted, 1437
Fund raising methods, 1429-30
Limitation on expenditures, 1432, 1433
Subsidizing of parties, 1433-4
Tax credits, 1432
Foreign Investment Review bill C-132, 1262-6, 1348
Appeals, 1264-5
Boards of directors of subsidiary firms in Canada, 1265-6
Canadian Manufacturers' Assoc. presentation to committee, 1264
DISC program, 1263-4
Investment companies exemptions, 1265
Senate committee recommendations, 1263-4
Technology interchange, 1263
Veto rights, 1264
Official report (Hansard), Senators' style of address, 1445

Goldenberg, Hon. H. Carl
Address in reply to Speech from the Throne, 104-7
Aeronautics bill C-128, 967, 968
Appropriation bill No. 1, 1973 C-141, 300-1
Constitution of Canada, federal disallowance of provincial statutes, 810-13
Cooperative federalism, 105
Education, post-secondary schools and universities, 286
Estimates, 300-1
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 720, 851-2
Felicitations on Chairmanship of Multiculturalism Conference and of Tri-Level Conference of Governments, 1069
Foreign Investment Review bill C-132, 1348-9
Legal and Constitutional Affairs Standing Senate Committee
Budget, 145
Parole system in Canada, authority to make study of, 145, 174
Parole bill C-191, 1324, 1325, 1386
Board membership, increase in, 1324
Regionalization of Board's services, 1324
Temporary absences, 1324
Protection of Privacy bill C-176, 1453-5, 1509
Newspaper article re statement on role of the Senate, 1427-8
Urban Affairs, Federal-Provincial-Municipal Conference, 106-7
Agenda, 107
Agreements reached, 107

Gold mining, see Emergency Gold Mining Assistance bill C-130

Government
Expenditures for decoration of government buildings, 1067
Inefficiency in spending, 858-9
Machinery purchases from foreign companies, 153-4
Minority role, difficulties of, 860
Political pressure in international affairs, 345
Regional Economic Expansion Dept., excerpt from letter of Hon. Mr. Marchand to Toronto Star, 159
Responsibilities of MPs toward the electorate, 343, 858-9

Governor General Jules Leger, P.C.
Addresses at installation to office of Governor General of Canada, 1519-20
Deputy
Laskin, Right Honourable Bora, 1517, 1522-5

Governor General Roland Michener, C.C., C.D.
Deputy
Abbott, Honourable D.C., P.C., 439
Fauteux, Right Honourable Gerald, P.C., 1, 167-8, 224, 480, 2167-8
Laskin, Right Honourable Bora, 969-70
Martland, Honourable Ronald, 985
Spence, Honourable Wishart F., O.B.E., 314

Governor General Roland Michener, C.C., C.D. – *Concluded*
Opening of First Session of Twenty-ninth Parliament
Communications re, 1, 2
Speech from the Throne, 7-11
Royal assent by Governor General Roland Michener, 566

Graham, Hon. B. Alasdair
Address in reply to Speech from the Throne, 134-8
Criminal Code bill C-2 (Capital Punishment), 1093-6
Degrading aspects of capital punishment, 1094
Deterrent aspect, 1095
Injustices in sentencing of rich and poor, 1094
Study conducted by Dr. Ezzar A. Fattah, 1095
Education
Costs and quality of, 137
Nova Scotia shortage of doctors and dentists, 253-4
Post-secondary schools and universities, 253-4
National unity, 136-7, 138
Regional disparities, 136
Nova Scotia projects to alleviate problems, 136; DEVCO and SYSCO, 136; Canso Strait, 136
Social security, 135, 136-7
Federal-provincial conferences, 135, 137
Housing, 137

Greene, Hon. John J., P.C. (Introduced in the Senate Jan. 4/73)

Greenpeace III crew members visitors to Senate, 1027

Grosart, Hon. Allister
Address in reply to Speech from the Throne, 150-4
Aeronautics bill C-128, 967-8
Anik II of Telesat Canada, 630-1
Appropriation bill No. 1, 1973 C-141, 295-8, 306
Appropriation bill No. 4, 1973 C-204, 778-9
British North America Acts 1867-1965 bill S-3 (Yukon and Northwest Territories Senate representation), 272-4
Criminal Code bill C-2 (Capital Punishment), 1167-8, 1182, 1187, 1189, 1192
Customs bill C-189, 1113, 1114, 1123
Responsibility of shipping company and agent, 1113
Customs Tariff bill C-172, 548-9
Preferences for certain countries, 549
Voluntary trade restrictions, 549
Customs Tariff bill C-195, 899-900, 907-9, 910
Cost of living increase after tariff reductions, 908-9
Petroleum fuel oil, 967
Sugar, 908
Drew, Hon. George Alexander, the late, 5
Economic conditions, 152-3, 855
Inflation, 153
Low productivity per employed person, 153, 855
Unemployment, 152-3

Grosart, Hon. Allister — *Continued*
Education, post-secondary schools and universities, 611
Election expenses, 154
Electoral Boundaries Readjustment bill C-222 (Peel South), 1076, 1077
Estimates year ending Mar. 31/73, 189-91, 211-13, 229, 235-7, 295-6, 306, 309-10
Control of public money, lack of, 295-8
Dollar items, 190
Federal Labour Intensive Projects, 190
Governor General's warrants, 190, 295-6, 306
Loans, investments and advances, 191
Local Initiatives Program, 190
Public Service employment, 297
Questions asked in committee and answered by Treasury Board representative, 235-7
Treasury Board Contingency Fund, 190, 296-7
Unemployment Insurance Commission, 190
Winter Capital Projects Fund, 190, 296-7
Estimates year ending Mar. 31/74, 773-6
Breakdown of expenditures for various items, 773-6
Expenditures vs GNP, 774, 778-9
Information Canada, 773-4
Loans, investments and advances, 774-5
Public debt, 774
Transfers to other levels of government, 778
Estimates, year ending Mar. 31/74 Supplementary (A), 1290-1
European Community, Brussels meeting, 630, 632, 869-70, 1059-60, 1077-8
Excise Tax bill C-171, 550-1
Machinery and apparatus for manufacturing or production processes, 550
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 150
Foreign affairs, 150-1, 153, 630, 632, 869-70
Foreign investment in Canada, 585-6
Foreign Investment Review bill C-132, 1247-56
Canada's Declaration of Less Dependence, article in Harvard Business Review, 1255-6
Control of Canadian business by other than Canadians, 1248-9
Influence of US investments on Canadian economy, 1249, 1250
'Nationalism and Multinational Enterprise', 1249
Presumption of control, 1252
Reasons for present concern itemized, 1249-50
Income Tax bill C-170, 537, 542-5
Bank bonds, 545
Exemptions for pensioners, 544
Farm property bequests, 544
French translation of certain clauses, 545
Hospital transportation, 544
Income Tax bill C-192, 854-7
DISC problems, 855-7
Manufacturing and processing industries, 854
Primary, service and construction industries, exclusion from provisions, 854
US-controlled corporations, benefits to, 854, 855
Interparliamentary Group, Canada-United States, 15th annual meeting, 575-80, 592, 593
Auto Pact, 578
Bloc trade war between US and European Community, possibility of, 576
Canada-US cooperation vs other trade blocs, 576-7

Grosart, Hon. Allister – *Concluded*
Interparliamentary Group, Canada-United States, 15th annual meeting – *Concluded*
GATT, 579
Multilateral trade, international monetary reform, industrial policies, international trade and foreign ownership policies, 577, 592
Territorial waters, 12 mile limit, 577
Trade deficit with US, 578
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 923, 945-6
Legislation
Delay in receipt of bills, 206-7
Protest against comments re Senate passage of Bill C-259, 543-4
Middle East, UN Emergency Force, participation of Canadian Forces, 1159-60, 1165-6
Provincial and Territorial Representatives visitors to Senate, 1115
Public Works Dept., Art Advisory Committee, 1211
Purchasing policy of government, 153-4
Rules of the Senate
Leave to speak second time on misunderstanding of remarks, 818
Postponement or adjournment of debate, 816-17, 818
Science Policy, Commission on the Future, 913-14
Science Policy Committee, 171, 173-4, 1235-8
Budgetary recommendations, 1236-7
Government organization for science, technology and innovations, 1235-8
Institute of Social Policy, 1237
Interministerial federal-provincial committee, 1236
Interparliamentary association of science and technology, 1238
RIFO, Sweden, 1238
Science attaches for foreign countries, 1237
SCITEC, 1238
Transport and Communications Committee, meetings during Senate sittings, 839-40
Unemployment Insurance bill C-124, 205-7
Government 'mismanagement', 205, 206
Governor General's warrants, 205-6
Vietnam Cease-fire Agreements, 119

Haig, Hon. J. Campbell
Transportation and freight rates, 470-1
Air transport, congestion and landing privileges, 471
Automobile congestion, 471
Winnipeg Tribune article, 471

Harbour Commissions bill C-21. 1r, 815; 2r, 864-6; 3r, 870; r.a., 970

Harnum, Hon. E.J., Lieutenant-Governor of Newfoundland
Newfoundland Book of Remembrance, speech at dedication of, 1066

Hastings, Hon. Earl S.
Criminal Code bill C-2 (Capital Punishment), 1125-9, 1144-5
Commutations, 1125-8
Deterrent aspect, 1126
Hopewell Club, Drumheller, 1125
Parole, 1127-8, 1144-5
Rehabilitation and constructive self-help, 1125, 1127-8

Hastings, Hon. Earl S. – *Concluded*
Energy Supplies Emergency bill C-236, 1510-12
Energy Supplies Allocation Board, 1511-12
Exploration and development programs in the Mackenzie Basin, Arctic and offshore areas, 1511
Rationing, government authority re, 1512
Parole bill C-191, 1377, 1384-6
Appointment of policemen or judges to board, 1377
Drumheller penitentiary, 1384
Parolees, statistics on rehabilitation and employment, 1377
Rehabilitation and deficiencies in, 1384-5
Rehabilitation success story, 1385-6
Penitentiaries
Deaths in federal institutions, 170, 177-8
Temporary absences, 170, 176

Hayden, Hon. Salter A.
Criminal Code bill C-2 (Capital Punishment), 1198-9
Export Development Corporation, rep of com on structure, policy and operations of, 724-35, 825
Foreign investment in Canada, authorization to make study of, 584-5, 586; rep of com, 867, 873-9
Foreign Investment Review bill C-132, 1228-35, 1252, 1253, 1254, 1288-90, 1337-40, 1351-2
Appeals, 1232
Committee recommendations, 1337
Commons amendments, 1232, 1240
Constitutionality of bill, question of, 1288-9
Control of Canadian business by other than Canadians, 1229
Newfoundland Industrial Development Dept. letter, 1234
Non-eligible persons establishing businesses in Canada, 1230-1, 1288
Provincial industrial economic policy objectives, 1230
Quebec brief, 1223
Real estate purchases, 1232
Reviewing process, 1231
Risk capital, 1288
Income Tax bill C-170, 530-7, 547-8
Animals and livestock, inventory of, 531, 548
Automobile salesmen, standby charge, 532
Deminimis rule, 530
Departure tax, 536
Disabled persons requiring attendant, 532
Educational allowance, 532
Employees profit sharing and deferred profit sharing plans, 533
Exemptions to persons over 65 yrs. of age, 532
Gifts, bequests and charities, 531-3
Non-resident-owned investment corporations, 530
Principal residence, 536
Small businesses, 533
Tax exempt non-resident investment, 533-4
'Thin capitalization', 534
Income Tax bill C-192, 834-7, 840-2, 881
Manufacturing and processing profits of corporations, 840-1
Fishing industry, 841
Small businesses, 842

Hayden, Hon. Salter A. – *Concluded*
Income Tax bill C-193, 843-5, 846, 847-50
Amalgamations, 844-5
Cash purchase ticket for grain deliveries, 846
Government rights owned by taxpayer, 846
Non-eligible investment, 845
Pension funds and deferred profit-sharing plans, 844
Processors of natural resources, depletion allowances, 844
Tax in relation to income and consumer price index, examples, 843
'Thin capitalization', 844
Vesting and crediting, 844

Health and welfare
Drug controls, 78
See Drugs,
Social security.

Health, Welfare and Science, Standing Senate Committee
Committee work commended, 481
Reports
National Housing bill C-133, rep without amdt, 750
Old Age Security bill C-147 (No. 1), rep without amdt, 476
Old Age Security bill C-219 (No. 2), rep without amdt, 1017
Unemployment Insurance bill C-124, rep without amdt, 214
War Veterans Allowance bill C-148, rep without amdt, 463

Heath, Hon. A.E. Haddon
Harbour Commissions bill C-21, 865-6
Maps for Senators' desks, 352-3
Transportation and freight rates, 498-9

Hicks, Hon. Henry D.
Address in reply to Speech from the Throne, 16-23
Armed Forces service to Canada, 23
Canada Corporations, directors of, 20
CBC and other media, methods of interviewing and reporting, 19
Criminal Code bill S-2 (Control of Weapons and Firearms), 369
Economic conditions and prospects, 19-22
Inflation, 21-22
Statistics (1962-71), 21
Unemployment, 21, 22
Education, post-secondary schools and universities, 248-56
Atlantic provinces transfer payments, 251
Comments of Right Hon. Louis St-Laurent, 250
Fees and loans, 251-2
Medical and dental education, 254
National Research Council role, 249
Nova Scotia, 251-4
Provincial interchange of students, 251-2, 255
Universities and Governments under Canadian Federalism, excerpt from Journal of Politics, 253
Environmental and ecological policies, 22; Dalhousie University research, 22

Hicks, Hon. Henry D. — *Concluded*
Federal-provincial conferences, 23
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 16-17
Fitness and amateur sports, 22
Immigration Appeal Board bill C-197, 887-8
Landed immigrants, 887
Time limit for appeals, 888
Income tax, difficulties in interpretation of act, 19-20; small businesses, 20
International involvements of Canada, 18; with US, 18
National unity, 18
Pearson, Right Hon. Lester Bowles, the late, 17
Protection of Privacy bill C-176, 1492-3
Research and development programs, 20
Senate reform, 507-12
Appointments, control of, 510
Committees, 511
Initiation of money bills, 518
Provincial representation, 508-9
Speaker, Government Leader and Opposition Leader, 509
Veto power, 508
Transportation and freight rates, 471-5
Basic Elements of an Atlantic Provinces Transportation Policy, 473-4
Coastal trade rights, 474
Federal-provincial responsibilities, recommendations submitted by Atlantic delegation, 472-3
Maritime Lumber Bureau letter re freight rates, 472
Maritime Telegraph and Telephone Co. Ltd., excerpt from annual report, 474

Hijacking, 1383-4, 1404-5

House of Commons
'Members of Parliament and Conflict of Interest', Green Paper ref to Commons com, 1226
Speaker, Hon. Lucien Lamoureux
Address to President of Mexico, 452
Address to Prime Minister of India, 759-60
Communication at Opening of Parliament, 7

Housing and urban development, 69, 72-73
Older neighbourhoods, 72-73
See National Housing bill C-133

Hungary
Visit of Canadian Parliamentarians to, 830-3, 996
Budapest, 830
Hungarians prominent in Canadian cultural life, 833
Industrial enterprises, 832
Parliament, 830-1
Trade, Canada-Hungary, 832-3
Visit of Hungarian Secretary of Ministry for Foreign Affairs, 568

Immigration Appeal Board
Adjustment of status, 892
Backlog of appeals, 885, 887, 891

Immigration Appeal Board – *Concluded*
Canada and Immigration; Public Policy and Public Concern, 892
Cultural and economic contributions of immigrants, 892-3
Deportation, 885-6
Landed immigrants, 885, 886, 887, 891; undesirable elements, 888, 893
Press releases from dept., 891
Time limit for appeals, 888
Speakers: Honourable Senators
Deschatelets, Jean-Paul, 884-7
Hicks, Henry D., 887-8
Macdonald, John M., 893-4
Molson, Hartland de M., 888-9
Yuzyk, Paul, 890-3

Immigration Appeal Board bill C-197. 1r, 880; 2r, 884-9, 890-5; 3r, 907; r.a., 970

Immigration laws and procedures
Speakers: Honourable Senators
Connolly, John J., 929-31, 932, 940
Macdonald, John M., 931-2

Immigration Laws and Procedures bill C-121. 1r, 926; 2r, 929-32; 3r, 940; r.a., 970

Income tax (Bill C-170)
Animals and livestock, inventory of, 530, 546-7, 548
Automobile salesmen, standby charge, 532
Bank bonds, 545
Charities, 532-3
De minimis rule, 530
Departure tax, 536
Disabled person requiring attendant, 532
Educational allowances, 532
Employees profit-sharing and deferred profit-sharing plans, 533
Exemptions to persons over 65 yrs. of age, 532, 544
Farm property bequests, 544
French translation of certain clauses, 545
Gifts, bequests and charities, 531-2, 544
Hospital transportation, 544
Non-resident-owned investment corporations, 530, 533-4
Principal residence, 536
Retroactive amendments, 554-5
Small businesses, 533
'Thin capitalization', 534
Speakers: Honourable Senators
Beaubien, L.P., 546
Benidickson, W.M., 545-6, 554-5
Flynn, Jacques, 547
Grosart, Allister, 537, 542-5
Hayden, Salter A., 530-7, 547-8
Lang, Daniel A., 546-7
Manning, Ernest C., 554

Income Tax bill C-170 (No. 1). 1r, 530; 2r, 530-7, 542-8; ref to com, 548; rep without amdt, 551; 3r, 554-6; r.a., 566

Income Tax (Bill C-192)
BNA Act provisions in relation to passage of bill, 853, 861-2, 881-4
Manufacturing and processing profits of corporations, 840-1
Fishing industry, 841
Small businesses, 842
Speakers: Honourable Senators
Asselin, Martial, 857-60
Flynn, Jacques, 852-3, 862, 863, 870, 881-4
Grosart, Allister, 854-7
Hayden, Salter A., 834-7, 840-2, 881
Manning, Ernest, 842
Martin, Paul, 860-3, 883-4

Income Tax bill C-192 (No. 2). 1r, 826; 2r, 840-2, 852-63; 3r, 870, 881-4; r.a., 970

Income Tax (Bill C-193)
Amalgamations, 844-5
Cash purchase ticket for grain delivery, 846
Exemption for single or married person, 863
Fixed incomes, 864
Government rights owned by taxpayer, 846
Non-eligible investment, 845
Pension funds and deferred profit-sharing plans, 844
Processors of natural resources, depletion allowances, 844
Returns filed and taxable (1969-72), 864
Tax in relation to income and consumer price index, examples, 843
'Thin capitalization', 844
Vesting and crediting, 844
Speakers: Honourable Senators
Flynn, Jacques, 844, 845-6, 863-4
Hayden, Salter A., 843-5, 846

Income Tax bill C-193 (No. 3). 1r, 838; 2r, 843-6, 863-4; 3r, 870; r.a., 970

Income tax, general
Authority for com to study legislation prior to receipt of bills, 722-3; rep of com, 834-7, 847-50
Crown corporations, tax on net income, 553-4
Difficulties in interpretation of act, 19-20
Newspaper article concerning passage of bill C-259, question of privilege, 174-5
Small businesses, 20, 533, 842
Statistics on filing of returns, 633, 703-4
See Federal-Provincial Fiscal Arrangements bill C-233,
Income Tax bill C-170,
Income Tax bill C-192,
Income Tax bill C-193.

India
Gandhi, Madam Indira, Prime Minister, address to both Houses of Parliament, 736, 750, 756-9
Addresses by Senate Speaker Muriel McQueen Fergusson, 759, by Commons Speaker Lucien Lamoureux, 759-60, by Prime Minister Pierre Trudeau, 756

Industry
Management training in consulting services and financing, 70
Pulp and paper industry, N.B., economic problems, 96-97
Unemployment insurance, industry's inability to compete with, 98

Inflation, see Economic conditions and prospects

Information Canada
Delay in delivery of Hansard, 1115
Operating costs, 397, 751, 762, 773-4, 890

Inman, Hon. F. Elsie
Address in reply to Speech from the Throne, 107-11
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 107
Prince Edward Island, 108-11
Centennial, 110-11
Council of Maritime Premiers, 109
Historical background of Island, 108
Tourist attractions, 109-10
Wealth and resources, 110
Social security, 108; day care centres, 108

Inquiries, calling the attention of the Senate to matters of national and international interest
Anik II of Telesat Canada, 630-1, 640-3, 681-2, 827-9
Broadcasting, radio and commercial advertising in Canada, 859-62, 918-22, 937-8
Canadian companies in Republic of South Africa, wage practices, 1176-80
Constitution of Canada, federal disallowance of provincial statutes, 781-92, 810-14
Education, post-secondary schools and universities, 248-56, 274-5, 281-6, 606-11, 619, 689-94, 953-6
European Community, 238-40, 630, 632, 633-41, 679-81, 700-2, 846, 867-70, 1012-16, 1017-22, 1055-60, 1077-8, 1087-9, 1297-1300
Export Development Corporation, 601, 716, 724-35, 825
Foreign investment in Canada, 584-6, 867, 873-9. See Foreign Investment Review bill C-132
Hungary, visit of Canadian Parliamentarians to, 830-3
Interparliamentary Group, Canada-United States
Fifteenth annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9, 829
Meeting re oil transportation on West Coast, 911, 922-3, 942-8, 849
North Sydney-Port aux Basques freight and passenger service, Prince Edward Island-Mainland ferry service, 1212-17, 1387-92, 1394-8
Senate reform, 316-24, 325, 485-8, 489-92, 512-18, 653-7, 675-9, 705-12, 744-9, 819-25, 870-2
Tanzania, Kenya and South Africa, visit of Canadian businessmen to, 703, 712-14
Trade, Canada's development as a manufacturing nation, 595-600, 666-70
Transportation and freight rates, 179-85, 230-4, 260-4, 286-90, 291-3, 325-9, 470-5, 477-80, 973, 1150

Inquiries, general
CBC payroll categories, 581
CNR derailments, number, location, cause and cost, 360, 580, 582-3
CNR, loss of and damage to merchandise, insurance payments and disposal of goods, 712
Education, graduates from universities, 1061
Penitentiaries
Authorized temporary absences, 170, 176
Deaths in federal institutions, 170, 177-8

Inquiries, general – *Concluded*
Public Works Dept., Art Advisory Committee, 1167, 1210-11
See Questions

Internal Economy, Budgets and Administration, Standing Senate Committee
Consideration of matters without reference to Senate, 257, 277
Reports
Foreign Affairs Committee, budget re study of European Community, 291
Legal and Constitutional Affairs Committee, budget re study of Parole System, 291, 673-4
Minutes of meetings tabled, 291
National Finance Committee, budget, 674, 795, 918
Poverty Committee, budget, 102
Receipts and disbursements of the Senate, Clerk's Accounts (1972-73), 673, 1360
Science Policy Committee, budget, 88, 291, 795, 918
Telephone credit cards for Senators, 651, 666

International Commission of Control and Supervision, Vietnam, 118-20, 169-70, 217-24, 226-8, 350-1, 418-22, 429-39, 504-5, 542, 611, 665-6, 671-2, 829-30

Interparliamentary Group, Canada-United States, 15th annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9, 829
Agenda, 527
Auto Pact, 578
Canada-US cooperation vs other trade blocs, 576-7
Canadian delegation, 527, 659
Delegates, briefing of, 658
Economic conditions and forecast of difficulties, 588
Energy, environmental and security affairs, 520-1, 528-9, 646-8
Exploitation of provincial resources, 589
GATT, 579
Indochina, 529; Canadian role in peace negotiations, 529
Machinery imports, 647-8
Manufactured products, resources and primary products, exporting of, 590-1
Multilateral trade, international monetary reform, industrial policies, international trade and foreign ownership policies, 577, 592
Oil transportation by rail, federal expenditures re, 647
Package deal arrangements, 592
Press exclusion from meetings, 658
Raw materials, USSR contracts for, 649
Secondary and primary industries, 588, 591
Spain, potential markets for Canada, 648
Territorial waters, 12-mile limit, 577
Trade deficit with US, 578
US delegation, 527
US trade legislation (in process), 590
Wheat sales, 648
Speakers: Honourable Senators
Aird, John B., 519-22, 527-9
Beaubien, L.P., 591-2
Fergusson, Muriel McQueen, 527-9
Grosart, Allister, 575-80, 592, 593
Laing, Arthur, 646-50

Interparliamentary Group, Canada-United States, 15th annual meeting – *Concluded*
Speakers: Honourable Senators – *Concluded*
Lamontagne, Maurice, 586-91, 592
Martin, Paul, 592, 593
O'Leary, M. Grattan, 657-9
Walker, David, 592-3

Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 911, 922-3, 942-8, 949
Speakers: Honourable Senators
Forsey, Eugene A., 948
Grosart, Allister, 945-6
Lang, Daniel A., 946-8
Macnaughton, Alan A., 939, 942-5, 949
O'Leary, M. Grattan, 948

Interparliamentary Union, 60th annual conference, Rome, Italy, 329-49, 518-19
Activities of IPU, 339
Canadian participation in proceedings, 340-2
Committees and related organizations, 338-9
Delegates from Senate and Commons, 330, 337
Disarmament resolution presented by Yugoslavia, 519
Drug abuse, 334, 335, 342-3, 345-6
Education in developing countries, 343, 349
End the Arms Race, 342, 344
Environmental problems, 331-4, 347-9
History and objectives of IPU, 330, 338
Inaugural ceremony, 338
Inter-Parliamentary council, 343
Middle East, 344-5
Political pressure in international affairs, 345
Warsaw Pact, 518-19
Speakers: Honourable Senators
Flynn, Jacques, 518-19
Macnaughton, Alan A., 329-34
Rowe, Frederick William, 334-6

Isnor, Hon. Gordon B. (Deceased March 17, 1973)
Tributes, 357-9

Johnson, Lyndon B., former President of the United States, the late, 101

Judges bill C-177, 1r, 670; 2r, 685, 699-700; ref to com, 700; rep without amdt, 716; 3r, 736; r.a., 808

Kinnear, Hon. Mary E. (Retired Apr. 3/73)
Address in reply to Speech from the Throne, 138-40
Cohoe salmon, Great Lakes, 139-40
Pollution, 138-40, 407
Air quality, 139
Daily waste and garbage, disposal in countryside, 139
Dunville, explosion at fertilizer plant and seepage of acid into Grand River, 407
Great Lakes, 139
Morrison's Cove, NB, Globe and Mail article re, 140
Tributes on retirement, 405-6; reply, 406-7

Labour
Employer-employee relations, 84; British system of 'fair comparability', 84-85
Integration of private contractors into Public Service, wage deficiencies, 100
Maintenance of railways operations, 976-84
Post Office, mail service disruptions due to labour disputes, 71, 102, 143
Railways, failure of workers to return to work after passage of Bill C-217, 993-5
Wage practices of Canadian companies in Republic of South Africa, 1176-80
West Coast Ports operations, 16

Labrador, see Newfoundland and Labrador

Lafond, Hon. Paul C.
Address in reply to Speech from the Throne, 23-27
Bilingualism in the Public Service and other areas, 25-26
Broadcasting
CBC interviewing of political figures, 27
Parliamentary proceedings, 27
Election expenses and voters' lists, 26
Electoral Boundaries Readjustment bill C-222 (Peel South), 1076
Electoral Boundaries Readjustment bill C-232 (Ottawa East), 1296-7
European Community, 700-2
Agricultural policy, 701-2
Excerpt from article by Maurice Delarue in Le Monde, 700
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 24
Government strategies and citizen participation, 24-25
Grain sales, transportation and distribution costs, 25
Nichol, Hon. John, resignation from Senate, 494
Pearson, Right Hon. Lester Bowles, the late, 25
Senate reform, 871-2
Areas of reform through Constitution, Governor General in Council, and the Senate, 872
Bilingualism, 871
Committees, accommodation for, 872
Hours of sitting, 872
Interpretation facilities, 871-2
'The Constitution and the People of Canada', 871
Veto power, 871
Western Canada, aspects of isolation, 25

Laing, Hon. Arthur, P.C., (Introduced in the Senate Jan. 4/73)
Address in reply to Speech from the Throne, 146-50
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 146
Interparliamentary Group, Canada-United States, 15th annual meeting, 646-50
Energy and resources, 646-8
Machinery imports, 647-8
Oil transportation by rail, federal expenditures re, 647
Raw materials, USSR contracts for, 649
Spain, potential markets for Canada, 648
Wheat sales, 648
National Parks bill S-4, 481-4, 626-7
Banff, 482
Capital investment in National Parks, 627
Crown lands, 483

Laing, Hon. Arthur, P.C. – *Concluded*
National Parks bill S-4 – *Concluded*
Leases, 482
National historic parks, 483
Traffic control and fines, 483
Yukon and Northwest Territories, 483-4
Natural resources technology, 146-9
Mining, 146-7; Western Canada, 146-7
Oil and gas, 148; Arctic, 148
Potential exports to US, 149
Water, 147; US requirements and conception of lake to provide power, 147
Yukon and Northwest Territories, 148-9
Nichol, Hon. John, resignation from Senate, 494-5
Oil Export Tax bill C-245, 1446-8
Control of industry, 1448
Federal payments to oil-producing provinces, 1446
US reaction to Canadian policies, 1447-8
Science policy, Commission on the Future, 904-5
Senate business, 1515
Transportation and freight rates, 325-9
Air and hovercraft transport, 327-8
Geographic problems of Northern Canada, 326-7
Ontario Northland Railway, 326
Pine Point Railway, 326
Pipeline transportation, 326, 328
Potash, Sask., 326
Products of Canadian manufacture, absorbing of freight costs for, 325
Railway building costs, 328
Ratio of costs by water, rail, truck, air, 326
White Pass and Yukon Railway, 327
War Veterans Allowance bill C-148, 428

Laird, Hon. Keith
Criminal Code bill C-2 (Capital Punishment), 1148-9
Commutations, 1149
Police officers and prison guards, 1149
Psychopathic killers, 1149
Martin, Hon. Paul, honorary degree from Seoul University, 1115

Lamontagne, Hon. Maurice, P.C.
Criminal Code bill C-2 (Capital Punishment), 1098-1100, 1101, 1189
Royal prerogative, 1098, 1099
Governor General's warrants, 206
Interparliamentary Group, Canada-United States, 15th annual meeting, 586-91, 592
Economic conditions and forecast of difficulties, 588
Exploitation of provincial resources, 589
Manufactured products, resources and primary products, 590-1
Package deal arrangements, 592
Secondary manufacturing sector problems, 588
Trade relations, Canada-US, 587
US trade legislation (in process), 590
Newspaper article re alleged statement by Hon. Mr. Lamontagne, 1034

Lamontagne, Hon. Maurice, P.C. — *Concluded*
Science Policy, Special Senate Committee
Appointment, 172
Budget, 88, 291, 795
Commission on the Future, motion to hold conference re, 901-6, 911-15; motion in amdt, 915-17, agreed, 917
Vol. 3, A Government Organization for the Seventies, 880-1, 900, 1008-9, 1136-41
Conclusions re individual depts. and agencies, 1136-7
Government organization for science, technology and innovations, conclusions re, 1140-1
OECD examiners' statement, 1137
Treasury Board and ministry relationship, 1138-9
UK and US organizations, 1137-8

Lang, Hon. Daniel A.
Criminal Code bill C-2 (Capital Punishment), 1102-4
Commutations, 1104
Police officers and prison guards, 1103
Criminal Code bill S-2 (Control of Weapons and Firearms), point of order re, 1144
Energy resources
Oil shipments, navigational and pollution hazards, 1143-4, 1227-8
Transshipment for domestic heating, temporary storage, heating oil shortage, 1144, 1228, 1245
Excise Tax bill C-171, 540-1, 551
Crates for live poultry, 540
Eye glasses, frames and contact lens, 540
Fisheries articles, 540
Machinery etc. for manufacturing or production purposes, 540-1
Excise Tax bill C-194, 895-7
Children's wear, 895, 897
Incinerators for municipalities, 895, 896
Products from labour of handicapped persons, 896-7
Toilet articles, cosmetics and jewellery, 896, 897
Foreign Investment Review bill C-132, 1274-7
Ministerial powers, 1275
Negative opinions re foreign investment cited, 1274
Propaganda detrimental to Canadian nationalism, 1275-6
Psychological aspects, 1276
Question of privilege re alleged statement, 1277
Takeovers, 1274
Greenpeace III crew members visitors to the Senate, 1027
Income Tax bill C-170, 546-7
Animals and livestock, inventory of, 546-7
Income tax, deadline for filing of returns, 505
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 946-8
Nichol, Hon. John, resignation from Senate, 493
Protection of Privacy bill C-176, 1293-4, 1475
Authority to use devices, 1294
Crown liability, 1294
Espionage, sabotage or other subversive activity, 1294
Offences re interception and disclosure of private communications, 1294
Public Service Staff Relations bill C-178, 561-2

Lang, Hon.Daniel A. — *Concluded*
Senate reform
Appointments, 678
Introduction of bills in the Senate, 677
Investigatory role of Senate, 677
Leader of the Government in the Senate, 678-9
Retirement age, 678
Veto power, 677, 678
Victoria Charter (1971), 675, 676-7
White Paper entitled 'The Constitution and the People of Canada' and other items and conferences on reform, 675-6
War Veterans Allowance bill C-148, 408-9, 428-29
Basic allowances for single and married veterans and for orphans, 408-9
Income and casual earnings, 429
Personal property limitation, 409
Welcome to new senators, 1053

Langlois, Hon. Leopold
Air Canada, aborted landing at Ottawa airport, 1270
Aird, Hon. John B., appointment to Committee of Nine, 350
Appropriation bill No. 1, 1973 C-141, 293-5, 305-7
Appropriation bill No. 2, 1973 C-166, 410-12, 414-15
Appropriation bill No. 3, 1973 C-167, 416-17, 418
Appropriation bill No. 4, 1973 C-204, 777-8, 780, 793-4
Appropriation bill No. 5, 1973 C-239, 1329-31, 1332-6, 1364, 1374
Banking, Trade and Commerce Committee meetings during Senate sittings, 780-1
CNR derailments, number, location, cause and cost, 360
Civil aviation, protection against hijacking and terrorism, 1383, 1404-5
Criminal Code bill C-2 (Capital Punishment), 1117-20
Commutations, 1119-20
Crimes of violence, 1118
Notice of reward (UK), 1117
Police officers and prison guards, 1118-19
Recommendation by jury, 1118
Economic conditions, 1039-40
Food expenditures, various countries, 1039
Welfare allowances vs minimum wages, 1039-40
Workers income and corporation benefits, 1039
Education, graduates from universities, 1061
Election Expenses bill C-203, 1438
Limitation on expenditures, 1438
Estimates, 281, 411-18, 777-8, 780
Borrowing authority, 416-17
Dollar items, 411, 413
Expenditures not covered by resolution for main estimates, 780
Expenditures vs GNP, 411, 412, 778, 780; national comparisons, 778, 780
Federal-provincial-municipal statistics, 412
Hospitals, 778
National accounts of selected OECD countries (1968), 411
Polymer Corp., 415
Social security, 411-12
Tax ratio in OECD countries (Average 1968-70), 411, 423

Langlois, Hon. Leopold – *Concluded*

Family Allowances and Youth Allowances bill C-223, 1039-40, 1048
Amounts payable out of CRF, 1048
Inflation, 1039-40
Family Allowances bill C-211, 1302-9, 1320-3, 1354-6
Administration costs, 1305, 1321
Foster homes and provincial agencies, 1306-7, 1321
Provincial differentiations, 1304
School attendance, 1307
Working poor, 1303
Goldenberg, Hon. Carl, Chairman of Multiculturalism Conference and of Tri-Level Conference of Governments, 1069
Isnor, Hon. Gordon B., the late, 357
Legislation, Senate initiation of, 165
Official languages, Public Service employment practices, 522
Old Age Security bill C-147, 469-70
Orders and Customs of the Senate and Privileges of Parliament Committee, 11
Parliamentary restaurant, cost of meals and availability to Senators of dining facilities in Confederation Building, 1067
Pilotage bill C-127, 165, 166
Regional authorities, 162
Royal Commission on Pilotage, 161
Tariffs and appeals against, 162-3
Portugal visit of His Royal Highness the Duke of Edinburgh, 566
Property qualification of Senators, 280
Protection of Privacy bill C-176, 1485-8
Rules of the Senate, Nos. 44, 45 and 78, 752, 975
St-Laurent, Right Hon. Louis Stephen, the late, 953
St. Patrick's Day, 352
Science policy, Commission on the Future, 914-15
Selection Committee, 11; question re membership, 68
Senate
Business, 277-8, 976, 987, 1270, 1315
Sitting, suspension or adjournment, motion re, 266-9
Senate reform, 774-9
Committees, joint, special, standing, 745-7; Chairmen, 747
Government and Opposition leaders, 746
House of Lords and Senate of Canada, comparison, 744-3
Political representation, 746-7
Retirement age, 746
Role of the Senate, 747-8
Statements by Sir John A. Macdonald and Rt. Hon. Arthur Meighen, 744-5
Travelling time of Senators from Eastern and Western Canada, 748
Veto power, 746
Television interview of Hon. Renaude Lapointe on 'Appelez-moi Lise', 1393
Transport and Communications Committee, meetings during Senate sittings, 839
Vietnam, visit of Canadian Parliamentary Mission, 350-1

Lapointe, Hon. Renaude
Address in reply to Speech from the Throne, 76-79

Lapointe, Hon. Renaude – *Concluded*
Aircraft Registry bill S-9, 771-3
International Recognition of Rights in Aircraft, Convention on, 772, 773
Notice of interest, 773
Passenger safety, 772
Priority of claims, 772
Registry established, 772
Sale of aircraft only with order of superior court, 772
Bilingualism, 76-77
Public Service training, 77; disruptions in departments as result of, 77
School training, 77
Capital punishment, 78
European Community, 1087-9
Canada's role, 1088-9
European Parliament delegation to Ottawa conference, 1088
Exploration and development of natural resources, scientific research and technology, 1088
Information office in Ottawa, 1088
Multinational corporations, 1088
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 76
Health and welfare, 77-78; drug controls, 78
National unity, 78-79
Old Age Security bill C-217, 998-1000
Amendments to act, 1000
Government expenditures on old age pensions and security, 999
Pensions in relation to cost of living index, 999
Senate reform, 819-22
Appointments from Yukon, Northwest Territories, minority parties and minority groups, 822
Attendance at Senate, committee meetings, caucus and for Royal Assent, 820-1
Bilingualism, 821
Communication with constituencies, 821
Criticisms by MPs and media, 819-20
Mandate by jury of Senators for re-election after 7 yrs., 821
Order Paper items, delays in completion of, 821
Public appearances by Senators to extend knowledge of Senate to community, 821
Reforms cited in 'The Unreformed Senate', 822
Title of 'Honourable', suggestion for discontinuance of, 821
Television interview on 'Appelez-moi Lise', 1393
Vietnam, visit of Canadian Parliamentary Mission to, 643-6

Laskin, Right Honourable Bora, P.C., Chief Justice of Canada and Deputy to the Governor General
Royal Assent, 1517
Speech at prorogation of Parliament, 1522-5

Lawson, Hon. Edward M.
Address in reply to Speech from the Throne, 98-100
British Columbia, 98-100
Industry's inability to compete with UIC, 98
Port of Vancouver, container facilities, 99-100
Private contractors in the Public Service, wage deficiencies, 100
Constitution of Canada, federal disallowance of provincial statutes, 813-14
Federal-provincial conferences, 100; Western Canada, 100

Lawson, Hon. Edward M. – *Concluded*
Forgery, letters purported to be written by Hon. Mr. Lawson and by President of Canadian Labour Congress, 191-3
Inflation, 98
Labour disputes, 100
Penal reform, 99
Protection of Privacy bill C-176, 1329
Senate reform, 822-5
Appointments, 822, 823; political partisanship, 822; representation of minority groups, 823
Committees, 823, 824; Chairmen, 823; Miscellaneous Canadian Affairs, 823
Communication with constituencies, 823
Criticisms by MPs and media, 824
Retirement age, 822-3
Salaries, 823
Speaker, Government and Opposition leaders, 823
Veto power, 822
Unemployment, 98-99
Illegal immigration, 99
Unemployment insurance, 98

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, 293, 1353
Meetings during Senate sittings, 695-7, 704
Parole system in Canada, authority to examine and report on, 145, 174; budget, 145, 291, 673-4
Reports
Centre Amusement Co. bill S-6, rep without amdt, 673
Judges bill C-177, rep without amdt, 716
National Dental Examining Board bill S-7, rep without amdt, 695
Protection of Privacy bill C-176, rep with amdt, 1360-1. See also discussion under Committee of the Whole, 1176, 1181-1205, rep without amdt, 1205

Leger, The Right Honourable Jules, P.C., installation to office of Governor General of Canada
Address by Prime Minister Pierre Elliott Trudeau, and reply by Governor General Jules Leger, 1519-20
Announcement by Hon. Paul Martin, 1228

Legislation
BNA Act provisions re adoption or passage of vote, resolution, address or bill, government contravention of, 853, 861-2
Concurrent debate in Senate and Commons to alleviate delay in passage of bills, 188, 196
Conference of representatives of both houses, 300, 306
Debate taking place on 1r, 187
Delay in Senate receipt of bills from Commons, 186-9, 196-9, 298-9, 853
Government 'mismanagement' in dealing with bills, 163-4, 165-6
Legislation returned to Commons with Senate amdts, 1491-2
Protests against comments re Senate passage of Bill C-259, 543-6, 547-8
Reprinting of bills after 3r in Commons, lack of explanatory notes, 554-5
Second reading 'later this day' due to delay in receipt of legislation, 187

Library of Parliament, Joint Committee
Members
Commons, 160
Senate, 142
Reports
Librarian's report, 14
Salary revisions, 966

MacDonald, Hon. Daniel J., Minister of Veterans Affairs
Newfoundland Book of Remembrance, speech at dedication of, 1065

Macdonald, Hon. John M., Chief Opposition Whip in the Senate
Address in reply to Speech from the Throne, 93-96
Armed Forces service to Canada, 96
Canada Pension Plan (No. 2) bill C-224, 1313
Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment), 736, 752-5
Canadian Catholic Conference letter re death penalty, 754, 755
Deterrent aspect, 754-5
Innocent persons convicted of murders, 754
Criminal Code bill C-2 (Capital Punishment), 1170
Criminal Code bill S-2 (Control of Weapons and Firearms), 271
Election expenses, 96
Electoral Boundaries Readjustment bill C-208, 927-8
Energy Supplies Emergency bill C-236, 1512-13
Energy Supplies Allocation Board, 1512-13
Excise Tax bill C-194, 896-7
Incinerators for municipalities, 896
Products from labour of handicapped persons, 896-7
Family Allowances and Youth Allowances bill C-223, 1044-5
Federal-provincial conferences, 95
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 93-94
Fisheries Development bill C-4, 934, 935
Food costs, 95
Immigration Appeal Board bill C-197, 893-4
Criminals entering illegally, 893
Landed immigrants, 893
Immigration Laws and Procedures bill C-212, 931-2
Inflation, 1044-5
Oil Export Tax bill C-245, 1442-3
Federal payments to oil-producing provinces, 1442-3
Oil price increases, effect on have-not provinces, 1443
Old Age Security bill C-147, 443-5
Guaranteed annual supplement, 444
Newspaper articles on plight of elderly, 444
Rental increases, 444
Parole bill C-91, 1324-5
Protection of Privacy bill C-176, 1328
Radio and television commercial broadcasting in Canada, 937-8
Speaker pro tem, 476
Transportation
Freight rates, 95
Passenger service, 95; NS, 95
Unemployment, 94-95

Macnaughton, Hon. Alan A., P.C.
Canada Wildlife bill C-131, 936-7
Committee of the Whole, Chairman, (Bill C-2), 1176
Criminal Code bill C-2 (Capital Punishment), 1181, 1189-91, 1192, 1193, 1194, 1205
European Community, Brussels meeting, 633-8
Canada-European Common Market Interparliamentary Group, 636
Canadian Business magazine article re EEC, 634
Community office in Ottawa, 635
European Parliament, 635-6
Testimony of Ambassador Schaetzel, 637, 638
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 911, 922-3, 939, 942-5, 949
Interparliamentary Union, 60th annual conference, 329-34
Agenda, 331-2
Delegates from Senate and Commons, 330
Environmental discussions, 331-4
Developing countries, 333-4
Marine environment, 332-3
State responsibility, 332
Trail smelter and Gut Dam cases, 332
See appendixes, 337-49
Oil Export Tax bill C-245, 1416-18, 1453
Crude oil, definition of, 1417
Federal payments to oil-producing provinces, 1417-18
Imposition and collection of tax, 1417
Liability of exporters, 1417
Royalties, 1417
Olympic Summer Games (1976) bill C-196, 963-4
Protection of Privacy bill C-176, 1504

Maintenance of railway operations
Arbitrator, 978
Conciliation Board's recommendations, 977
Emergency services, 983
Failure of employees to return to work after passage of Bill C-217, 993-5
Non-operating employees, 978
Pensions, 978-9
Right to strike and hardships resulting from, 980, 982-3; Atlantic provinces, 980, 982-3, 1214-17
Shopcraft employees, 978
Unions involved in dispute, 977
Woods report, 984
Speakers: Honourable Senators
Cameron, Donald, 993
Carter, Chesley W., 982-3
Croll, David A., 994
Flynn, Jacques, 978, 979-81
Forsey, Eugene A., 994, 995
Martin, Paul, 976-9, 983-4, 993, 994, 995
Phillips, Orville H., 981-2
Prowse, J. Harper, 981, 984
Walker, David A., 993-4, 995

Maintenance of Railway Operations 1973 bill C-217. 1r, 976; 2r, 976-84; 3r, 984; r.a., 985

Manning, Hon. Ernest C., P.C.
Address in reply to Speech from the Throne, 79-82
Alberta Legislature representatives visit to Senate, 684
Bilingualism, 81, 82
Canada Development Corporation, 380
Constitution of Canada, federal disallowance of provincial statutes, 787-8
Criminal Code bill C-2 (Capital Punishment), 1092-3, 1196
Deterrent aspect, 1092-3
Jury recommendation, 1196
Methods of execution, revision of, 1093
Police officers and prison guards, 1093
Prerogative of mercy, 1093
Criminal Code bill S-2 (Control of Weapons and Firearms), 247-8
Farmers' ownership of guns, 247-8
Restrictions, minimal value of, 248
Energy resources, crude oil and natural gas, proposed national policy, 797, 1017
European Community, 1019-22
Foreign Investment Review bill C-132, 1343-4
Income Tax bill C-170, 554
Income Tax bill C-192, 842
Middle East, UN Emergency Force, participation of Canadian Forces, 1161
Minority government, 79-80; interim union cabinet, suggestion for, 79
Multinational companies, 1021, 1022
National Parks bill S-4, 593-5
Administrative problems, 593-4
Banff, Jasper and Wood Buffalo National Parks in Alberta, 593
Facilities, diversity of, 594
Federal-provincial liaison in programming, 595
National unity, 81-82
Negative nationalism, 1020-1
Pearson, Right Hon. Lester Bowles, the late, 4-5
Protection of Privacy bill C-176, 1328
Authorization to use bugging devices, 1328
Regional disparities, 81
Senate reform, 499-503
Investigative committees to consider parliamentary system, 501
Non-partisanship, 502
Tenure of appointment, 502
Veto power, 501
Social security, 80-81
Transportation and freight rates, 287-90
Agreed charges, 287
Alberta, 288
CNR and CP, 288
Crows Nest Pass, 287
Factors pertinent to transportation policy, 289-90
Seaboard freight rates, 287
Trucking industry, 289
Western Canada, 287-8
Unemployment Insurance bill C-124, 201-2
Social welfare vs unemployment insurance, 201
Subsidization of fund from various sources, 201-2
Unemployment level, 202

Manning, Hon. Ernest C., P.C. — *Concluded*
Western Canada, dependence on foreign capital for industrial and resource developments 1020
Western Economic Opportunities Conference, 881, 890

Martin, Hon. Paul, P.C., Leader of the Government in the Senate
Absence on government business in Africa, 146
Address in reply to Speech from the Throne, 33-38
Air Canada, aborted landing at Ottawa airport, 1245
Air terminals, baggage handling facilities, 1419-20
Anik II of Telesat Canada, 681-2
Bilingualism and biculturalism, government policies re, 37
CBC payroll categories, 581
CNR, derailments, number, location, cause, cost, 580, 582-3
CNR, loss of and damage to merchandise, insurance payments and disposal of goods, 712
Capital punishment, 15
Murders of police officers, 618-19; date of conviction and date sentence commuted, 652; correction to answer, 662
Chancellor of Waterloo Lutheran University, appointment as, 16
Civil aviation, protection against hijacking and terrorism, 1383
Connolly, Hon. John J., 20th anniversary of appointment to Senate, 704
Crerar, Hon. Thomas A., P.C., Companion of the Order of Canada, 1420
Criminal Code bill C-2 (Capital Punishment), 1146-8, 1191, 1202, 1203, 1204
Commutations, 1147-8
Deterrent aspect, 1146-7
Obligation to society and in rehabilitation of criminals, 1147
Crown corporations, tax on net income, 553-4
Drew, Hon. George Alexander, former Premier of Ontario, the late, 5-6
Economic Council of Canada, 10th annual review, 1227
Education, post-secondary schools and universities, 606-11, 619
Atlantic provinces, 607
Canada Council grants and loans, 609-10
Estimated total and per capita values of transfers to provinces under proposed conversion formula (1974-75 to 1978-79), 608, 616
Federal-provincial conferences, 608; non-involvement of teachers and professors, 611
Financing of Higher Education, conference on, excerpt from speech by the late former Prime Minister Pearson, 606-7
Full-time enrolment in post-secondary institutions, by province (1966-67 – 1973-74), 608, 612
Illustration of the working of the levelling formula, 609, 617
Population aged 18-24 by province (1966-84), 608, 615
University operating costs, 607
Value of post-secondary education eligible operating expenditures and fiscal transfers, by province (1967-68 – 1973-74), 608, 613-14
Emergency Gold Mining Assistance bill C-130, 559
Energy resources
Government study, 797
Oil exports to US, 1143
Oil shipments, navigational and pollution hazards, 1227-8
Shortage of petroleum products in Canada, 1428
Transshipment for domestic heating, temporary storage, heating oil shortage, 1228, 1245
European Community, 239-40

Martin, Hon. Paul, P.C. — *Continued*
Export Development bill C-3, 565
Export Development Corporation, authority for study of structure, policy and operations of, 601
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 717, 718-19, 851, 852
Federal election results and consequences, 35-38; Quebec, 36
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 34
Fire in Senate upholstery room, 191
Foreign affairs, meeting between Hon. Mr. Sharp and Mr. Gromyko, 1167
Foreign investment in Canada, 586
Foreign Investment Review bill C-132, 1284-5
Constitutionality of bill, question of, 1285
Criteria re proposed takeovers or new investments, 1285
Foreign policy, 37-38
Fournier, Hon. Sarto, 20th anniversary of appointment to Senate, 704
Gasoline and fuel oil, export controls, 720
Governor General, installation of The Right Honourable Jules Leger to office, 1228
Income Tax bill C-192, 860-3, 883-4
BNA Act provisions in relation to passage of bill, 861-2, 883-4
Internal Economy, Budgets and Administration Committee, minutes of meetings tabled, 291
Interparliamentary Group, Canada-United States, 592, 593
Johnson, Lyndon B., former President of United States, the late, 101
Labour relations
Elevator technicians' strike, 143
Post Office, disruption of mail service due to labour disputes, 143
Legislation
BNA Act provisions re legality of adopting or passing vote, resolution, address or bill, 861-2
Debate taking place on 1r, 187
Government difficulties in minority role, 860
Introduction of bills in the Senate, 225
Maintenance of Railway Operations bill 1973 C-217, 976-9, 980, 983-4
Arbitrator, 978
Conciliation Board's recommendations, 977
Date of bill enforcement, 983
Emergency services, 983
Non-operating employees, 978
Pensions, 978-9
Shopcraft employees, 978
Unions involved in dispute, 977
Woods report, 984
'Members of Parliament and Conflict of Interest', Green Paper ref to Commons com, 1226
Middle East, participation of Canadians in UN Peacekeeping Force, 1081, 1155-9, 1164-6, 1300
Medical officer's statement re hospital facilities, 1227, 1300
Precedents, conditions and costs of Canada's participation in peacekeeping operations, 1155-7
Molson, Hon. Hartland de M., election to Hockey Hall of Fame, 715
Nichol, Hon. John, resignation from Senate, 492-3
Official languages, principles re Public Service employees, 37, 685-9
Parliament Hill, government expropriation of land and buildings in area, 923
Pearson, Right Hon. Lester B., former Prime Minister of Canada, the late, 2-4
Penitentiaries
Authorized temporary absences. 170, 176
Deaths in federal institutions, 170, 177-8
Polymer Corporation investments in South Africa, 103

Martin, Hon. Paul, P.C. – *Concluded*
Protection of Privacy bill C-176, 1444, 1468-72, 1496, 1498-9
Provincial and Territorial Representatives visitors to Senate, 1115-16
Public Works Department
Art Advisory Committee, 1228, 1238, 1241-4
Cost of decorating federal government buildings, 1208-9
Railway employees' failure to return to work after passage of Bill C-217, 993, 994, 995
Regulations and Other Statutory Instruments, Standing Joint Committee, 1419
Senate members, 142
Rules of the Senate
Legislation returned to Commons with Senate amdts, 1491-2
Postponement or adjournment of debate, 817, 818
Question period, speeches not allowed, 1428
St-Laurent, Right Hon. Louis Stephen, former Prime Minister of Canada, the late, 950-1
Science Policy, Special Senate Committee, 174
Senate
Amplification system in Chamber, 55, 1035
Business, 881, 922, 926, 956-7, 958, 966, 969, 973, 974, 986, 987, 988, 991, 1246, 1247, 1310
Role in discussion and initiation of legislation, 35
Seoul University, honorary degree conferred on Hon. Mr. Martin, 1115
Truman, Harry S., former President of the United States, the late, 6
Unemployment Insurance bill C-124, 186, 187
Vietnam
Cease-fire Agreements, Canada's role in International Commission of Control and Supervision, 118-20, 169-70, 217-22, 505, 665, 666, 829-30; motion re, withdrawn, 829-30; see appendix 671-2
Disappearance of Canadian officers attached to ICCS, 827
Peace negotiations, disclosure in Pentagon Papers of role of Hon. Paul Martin during 1964-66, 840
Visitors
Alberta Legislature Representatives, 683
Australian Parliamentarian Paul Keating, 225
Barbados Senate President Sir Theodore Brancker and Mrs. Brancker, 973
British House of Lords Opposition Leader Lord Shackleton, 1034
India Prime Minister Gandhi, 736, 750, 756-9
Welcome after illness, 409-10
Welcome to new Senators, 34
Western Economic Opportunities Conference, 890

Martland, Hon. Ronald, Puisne Judge of the Supreme Court of Canada
Royal assent, 985

McDonald, Hon. A. Hamilton
Foreign Investment Review bill C-132, 1285-7
DREE, 1286-7
Newfoundland oil refinery, 1286
Provincial rights, 1286-7
Saskatchewan, 1286

McElman, Hon. Charles
Air Canada, aborted landing at Ottawa airport, 1208, 1245, 1269-70, 1490-1
Foreign Investment Review bill C-132, 1349-50
Protection of Privacy bill C-176, 1507-9
Rules of the Senate, personal, sharp or taxing speeches, 309

McIlraith, Hon. George, P.C.
Address in reply to Speech from the Throne, 47-52
Bilingualism in the Public Service, 49-50
Commonwealth Parliamentary Assoc., 18th general conference, 380-4, 392-4
Apartheid, 384
Constitution of Malawi, 381-2; article by Jehovah Witnesses, 382
Education and health, 382-3
Finances, 393
General Council, 392-3
Officers elected for 1973, 393
Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment), 809-10, 815-16
Criminal Code bill C-2 (Capital Punishment), 1069-76, 1172-5, 1184-6, 1187, 1197-8, 1201, 1205
'Capital Punishment. New Material, 1965-72', 1072-3
Classification of murder, 1071
Commutation, 1074, 1174-5
Deterrent aspect, 1074, 1174
Murders punishable by death, 1070
Parole, 1070, 1071-2
Police officers and prison guards, 1174
Royal prerogative of mercy, 1174, 1175
Electoral Boundaries Readjustment bill C-232 (Ottawa East), 1296-7
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 717-18
Federal-provincial conferences, 49
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 47
Legislation
Concurrent debate in Senate and House of Commons, suggestion to alleviate delay in passage of bills, 188; question of privilege, 196
Protection of Privacy bill C-176, 1460-7
Public Service Staff Relations bill C-178, 560-1
Deputy chairmen of Board, 560
Salaries and daily allowance of Board members, 561
Travel assignments, 561
Rules of the Senate
Postponement or adjournment of debate, 816
Suspension or adjournment of sitting, 268
Senate reform, 705-12
Committee work, 48, 709
Government and Opposition leaders, 708
Hours of sittings, 711
Lack of media information re Senate, 710
Legislation, Senate initiation of, 710
Parliamentary reform, 705
Retirement age, 707
Teacher training in parliamentary procedures, 706
Veto power, 707
Unemployment Insurance bill C-124, 188, 196
United Nations, 50-52
Malawi Conference, 50; see also 380-4, 392-4
One-party system of government, 51-52
Policy re underdeveloped countries questioned, 50-51
South Africa, racism by whites and by blacks, 50-51

McLean, Hon. Donald A. (Deceased Nov. 5/73)
Tributes, 1079

Mexico
Address to State of the Union of Mexico by President, 1009, 1022-6
President Luis Echeverria's visit to Parliament, 440, 452-60
Addresses by President Echeverria, 464-9, Senate Speaker Muriel McQueen Fergusson, 459-60, Commons Speaker Lucien Lamoureux 452, Prime Minister Trudeau, 452-4

Michaud, Hon. Herve J.
Acadians, 91-93; article in L'Evangeline, 93; Members of Parliament, 92
Address in reply to Speech from the Throne, 90-93
Pearson, Right Hon. Lester Bowles, the late, 90

Michener, Right Honourable Roland, C.C., C.D., His Excellency the Governor General of Canada
Royal assent, 566
Speech from the Throne at opening of First Session of 29th Parliament, 7-11

Middle East
Medical officer's statement re hospital facilities, 1226-7
Precedents in peacekeeping operations, 1155
UN Peacekeeping Force, participation of Canadians and costs, 344-5, 1081, 1155-66, 1167
Speakers: Honourable Senators
Buckwold, Sidney L., 1161-2
Fergusson, Muriel McQueen, 1155, 1166
Forsey, Eugene A., 1160
Grosart, Allister, 1159-60, 1165-6
Manning, Ernest C., 1161
Martin, Paul, 1155-9, 1164-6

Minority government, 56-58, 63-64, 79-80, 112-15
"Alliance for survival", 56
Interim union cabinet, suggestion for, 79
Responsible government, 113
Vote of confidence, 57

Minutes of the Proceedings of the Senate, correction in French text, 477

Molgat, Hon. Gildas L.
Anik II of Telesat Canada, 827-9
Canada Wildlife bill C-131, 941-2
Committees
Banking, Trade and Commerce, Legal and Constitutional Affairs, National Finance, motion to authorize committee meetings during Senate sittings, 695-7; withdrawn, 704
Foreign Affairs Committee, meeting during Senate sitting, 257
Internal Economy, Budgets and Administration Committee, consideration of matters without reference to Senate, 257, 277
Library of Parliament Committee, Senate members, 142
National Finance Committee, authority to examine and report on Estimates for year ending Mar. 31/73, 145
Printing of Parliament Committee, Senate members, 142
Regulations and Other Statutory Instruments Committee, Senate members, 142

Molgat, Hon. Gildas L. – *Concluded*
Committees – *Concluded*
Restaurant of Parliament Committee, Senate members, 142
Selection Committee report
Members of Standing Committees, 102, 116-17; report adopted, 140-2
Standing Committees, organizational meetings, 143
Crerar, Hon. Thomas A., P.C., Companion of the Order of Canada, 1420
Criminal Code bill S-2 (Control of Weapons and Firearms), 368-9
Election Expenses bill C-203, 1437-8
Emergency sittings of Senate, 103, 144
Martin, Hon. Paul, absence on government business in Africa, 146
National Parks bill S-4, 626
Senate business, 992, 993
Ukrainians, Western Canada, 1068

Molson, Hon. Hartland de M.
Air terminals, baggage handling facilities, 1419
Criminal Code bill C-2 (Capital Punishment), 1100, 1104, 1195, 1196, 1199-1200, 1204
Amdt proposed, 1195, 1196
Deterrent aspect, 1091
Jury recommendation, 1195
Methods of execution, revision of, 1091
Police officers and prison guards, 1091-2
Royal prerogative, 1100
Underworld killings, 1195, 1196
Energy resources, oil exports to US, 1142, 1143
Export Development bill C-3, 565
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 720
Hockey Hall of Fame, election of Hon. Mr. Molson in builder category, 715
Immigration Appeal Board bill C-197, 888-9
Landed immigrants, undesirable elements, 888
Information Canada, delay in delivery of Hansard, 1115
Legislation
Delay in Senate receipt of bills, 187
Second reading 'later this day', 187
Middle East, medical officer's statement re hospital facilities, 1227
Montreal Gazette editorial re Senate, question of privilege, 1069
Official languages, alleged statement by Commissioner re Westmount Rhodesians, 495
Parliamentary restaurant, cost of meals and availability to Senators of Confederation Building dining facilities, 1067
Protection of Privacy bill C-176, 1459-60, 1509
Public Works Dept., decorating costs of government buildings, 1208-9
Rules of the Senate, two days' notice of motion, 559-60
Selection Committee, question re membership, 68
Senate
Amplification in chamber, 55
Business, 1246
Unemployment Insurance bill C-124, 187, 203-4
Sickness or pregnancy benefits, 204
Social welfare or pensions vs unemployment insurance, 203-4
Vietnam Cease-fire Agreements, 120

Monture, Dr. Gilbert D., O.B.E., the late, 764

Moores, Hon. Frank D., Premier of Newfoundland
Newfoundland Book of Remembrance, speech at dedication of, 1064

National Defence Act, see Criminal Code and National Defence bill S-8

National Dental Examination Board of Canada bill S-7. (Hon. Orville H. Phillips). 1r, 633; 2r, 652-3, 666; ref to com, 666; rep without amdt, 695; 3r, 704; Commons amdts, 1373; amdts concurred in, 1387; r.a., 1404

National Finance, Standing Senate Committee
Appropriation bill No. 1, 1973 C-141, written opinion from Dept. of Justice, 523-6
Authority to publish and distribute report, 1362-3
Estimates, authority to examine and report on
Year ending Mar. 31/73, Supplementary (A), 145
Year ending Mar. 31/73, Supplementary (B), 316
Year ending Mar. 31/74, 281
Year ending Mar. 31/74, Supplementary (A), 1102
Legislation and other matters, engagement of counsel and staff for study of, 356; budget, 674, 795, 918
Meetings during Senate sittings, motion, 695-7; withdrawn, 704; further motion agreed, 1372
Reports
Appropriation bill No. 1, 1973 C-141, rep without amdt, 309
Estimates
Year ending Mar. 31/73 Supplementary (A), 189-91, 211-13, 228-9, 235-7
Year ending Mar. 31/73 Supplementary (B), 377-80, 385-91, 396-404
Year ending Mar. 31/74, 750-2, 761-3, 773-6
Year ending Mar. 31/74 Supplementary (A), 1218-24, 1266-7, 1290-1
Terms of reference, 356

National housing
Amortization of 40 yrs., 739
Bankruptcy or insolvency, protection for lender, 721-2, 737
Co-operatives, 721
Home ownership program, 742
Indian reservations, 722, 741
Interest rates, 738, 739
Land assembly, 739-40
Land prices and servicing costs, 737
Low-income and elderly persons, 721
Neighbourhood improvement programs, 721, 740
New communities, 737-8, 741, 743
Non-profit organizations, 721, 741, 742-3
Non-resident ownership, 741
Persons eligible for CMHC loans, 743
Salaries vs housing costs, 738-9
Sale of home purchased under home ownership program, 743
Subsidization for low-income persons, 739, 740
Tax on materials, 739, 742

National housing – *Concluded*
Speakers: Honourable Senators
Belisle, Rheal, 737-8
Bourget, Maurice, 720-2, 743-4
Phillips, Orville H., 738-42
Walker, David, 742-3

National Housing bill C-133. 1r, 703; 2r, 720-2, 737-44; ref to com, 744; rep without amdt, 750; 3r, 771; r.a., 808

National parks
Administrative problems, 593-4, 621, 623-4, 626
Authority of Governor in Council to add Crown lands to National Parks, 483, 496, 620
Banff 'Cragg and Canyon' article, 621
Banff, Jasper and Wood Buffalo National Parks, 482, 593, 621, 623, 624, 626-7
Boundaries, 506
'Byways and Special Places', 158
Capital investment in, 627
Environmentalists, 623-4
Facilities, diversity of, 594, 625
Federal-provincial liaison in programming, 595, 620-6
Historic parks, 483
Housing for park residents, 624
'How Many is Enough', editorial in The Advertiser of Kentville, 573
Kejimkujik National Park, 574-5
Land expropriation, 158
Land rentals in Banff, 623
Leases, 482
Maritime provinces, 573-4
Newfoundland, 496
Nova Scotia, eastern shore, 157, 496-7, 573-5
Ontario and Quebec refusal of national parks program, 573, 574
Park residents' views re National Parks, 622
Prince Edward Island, 624-5
Safeguarding of individual rights, 506
Traffic control and fines, 483, 620
Yukon and Northwest Territories, 483-4, 620
Speakers: Honourable Senators
Bonnell, Lorne, 624-6
Buckwold, Sidney L., 497
Cameron, Donald, 621-6
Carter, Chesley W., 505-7
Flynn, Jacques, 619-21
Laing, Arthur, 481-4, 626-7
Manning, Ernest C., 593-5
Molgat, Gildas L., 626
Norrie, Margaret, 157-8, 495-7
Welch, Frank C., 572-5

National Parks bill S-4. 1r, 396; 2r, 481-4, 572-5, 593-5, 619-27; ref to com, 627-8; rep with amdts, 796, 810; 3r, 815

National unity, 18-19, 50, 56, 75, 79, 81-82, 124-5, 126-8, 129, 136-7, 138, 1020-1
Bilingualism in relation to, 50, 81, 82
Comment of parliamentary reporter Anthony Westwell, 79
Federal-provincial-municipal responsibilities, 126-8
Mass media role in, 18-19
Negative nationalism, 1020-1
Quebec, 56, 124-5
Regional disparities, 81
Tourism to promote unity, 75

Natural resources
Minerals, 146-8; Western Canada, 146-7; coal, 148
Oil and gas, 148; Arctic, 148
Potential exports to US, 149
Water, 147; US requirements and conception of lake to provide power, 147
Yukon and Northwest Territories, 148-9

Neiman, Hon. Joan (Introduced in the Senate Jan. 4/73)
Criminal Code bill C-2 (Capital Punishment), 1130-4
Canadian Catholic Conference view, 1133
Commutations, 1132-3
Deterrent aspect, 1132
Elizabeth Fry Society brief to government re abolition of death penalty, 1131
Excerpts from articles by Professors Sellin and Fattah, 1132
Homicide statistics (Halifax, Montreal, Toronto, Vancouver), 1133-4
Lewis Lawes' history as warden of Sing Sing prison, 1131, 1132
Police officers and prison guards, 1132
Sanctity of life, 1131-2
The Unexamined Death, by Hans W. Mattick, 1134
Protection of Privacy bill C-176, 1505-6

New Brunswick
Kent Co., agricultural deficiencies, 129
Pulp and paper industry, economic problems, 96-97
Salmon, ban on commercial fishing, 97-98; compensation delays, 97-98
Shipping costs in Miramichi district, 97; ice-bound vessels, 97
See Transportation

Newfoundland and Labrador
Book of Remembrance, dedication of, 1055, 1062-6
Dependence on foreign capital for industrial and resource developments, 1015, 1020
Education, 692-3
Employment problems of remote areas, 42-43
Magazine article "The Wrackers of Newfoundland", question of privilege, 28
Transportation, 230-4, 1212-17, 1387-92, 1394-8
Air Canada passenger service, 233
CNR express, passenger bus and ship service, 232-3
Defunct railways and debt from, 230-2; federal government responsibility, 232
High costs and low standards of living due to freight rates, tariffs, etc., 232-3
Requirements, 233
Seasonal problems of sea transportation, 231
Trade with world markets, restrictions since Union, 231

Newspapers, periodicals, speeches, interviews, etc., excerpts from
Capital punishment, Montreal Gazette editorial re, 1083
Conflict of interest, Globe and Mail article on possibility of (Hon. John J. Connolly), 1135
Election results, CBC interview of Dean Scanlon, Carleton University, 27
European Community, article in Canadian Business magazine, 634
Firearms control
Calgary Herald, 241
Fred Annesley, freelance writer in Montreal, 355-6
Globe and Mail, 353
Guns magazine, 355
Ottawa Citizen, 241
Toronto Star, 353
Windsor Star, 241
Forged letters, 191-3; media coverage given to admitted forger, 192
Free Trade agreements of Sweden with EEC and ECSC, publication from Swedish information service, 596
Freight rates
Article in Winnipeg Tribune, 471
Letter from Maritime Lumber Bureau, 472
Off-shore oil drilling, report of Maritime Telephone and Telegraph Co., 474
Gasoline and oil, export controls, article in Economist, 856-7
Government long-range economic planning, article in Toronto Daily Star, 856
National parks, article in Banff 'Cragg and Canyon', 621
National parks, 'How Many is Enough', editorial in The Advertiser of Kentville, 573
Senate, Montreal Gazette editorial re, 1069
Vietnam Cease-fire Agreements, Canada's participation in, article by Mark Gayn in Saigon, 227-8

Nichol, Hon. John (Resigned April 11, 1973)
Pearson College of the Pacific, 264-6
Resignation from the Senate to accept position of Chairman of Board of Governors of Pearson College of the Pacific, 489-92
Tributes, 492-5
Senate reform, 489-92
Canadian affairs committee, 490
Committees, 490
Government Leader and Opposition Leader, 491
Minister without portfolio as liaison with government, 490
Provincial distribution, 491
Retirement age of Senators, 490
Senators Active and Senators Emeritus, 491-2
Speaker, 491
Tenure of appointment, 491
'The Modern Senate of Canada', by J.A. Kunz, 489-90
Veto power, 491

Norrie, Hon. Margaret
Address in reply to Speech from the Throne, 157-9
Criminal Code bill C-2 (Capital Punishment), 1107-9
'Deterrent Influence of the Death Penalty', 1108
Effects of death penalty on other than convicted person, 1108
Excerpt from statement by Sir Winston Churchill, 1109
Innocent persons convicted of murder, 1108

Norrie, Hon. Margaret – *Concluded*
Crop Insurance bill C-129, 1050-1
Increase in federal contributions, 1050
Statistics on participants and benefits, 1051
Education, post-secondary schools and universities, 953-6
Enrolment statistics, 955
Pearson, Right Hon. Lester B., statement by, 956
Regina Leader-Post article, 955
Veterans rehabilitation programs, 955
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 157
National parks, 157-8
"Byways and Special Places", 158
Government proposal for Eastern Shore of NS, 157
Land expropriation laws, 158
National Parks bill S-4, 495-7
Crown lands, 496
Newfoundland, 496
Nova Scotia, 496-7
Pearson, Right Hon. Lester Bowles, the late, 157
Regional Economic Expansion Dept., 159

North Atlantic Assembly, 18th annual session, 371-6, 448-51, 461, 462
Air piracy, 375
Committee of Nine, 375
Data bank for parliamentarians, 375
Defence expenditures of NATO countries (1949-72), 462
Delegates from Senate and Commons, 372
Ecological-Environmental Treaty, 373
Education, Cultural Affairs and Information Committee, 450
European Force Improvements (1973), 461
European Security and Cooperative Conference, 373
Excerpts from speeches by K.-U. von Hassell, Chancellor Willy Brandt, Sect. Gen. Luns and John Peel, 449-50
Fishery resources of Canada, exploitation of, 373-4
Military Committee, 450
Mutual and Balanced Force Reduction Conference, 373
Radio Free Europe, allocation of costs for, 374
Technological development, 373
Speakers: Honourable Senators
Argue, Hazen, 371-6
Yuzyk, Paul, 448-51, 461, 462

Northwest Territories
Senate representation, see British North America Acts 1867 to 1965 bill S-3

Nova Scotia
Dalhousie dental and medical schools, 254
Projects to alleviate economic problems, 136
Canso Strait, 136
DEVCO and SYSCO, 136
Regional disparities, 136

Official languages
Principles respecting employment in the Public Service, 685-9, 697-9
Speakers: Honourable Senators
Flynn, Jacques, 698-9
Martin, Paul, 685-9
See also Bilingualism and biculturalism

Official report (Hansard), Senators' style of address, 1445

Official Secrets Act, see Protection of Privacy bill C-176

Oil and gas, see Energy resources

Oil export tax
Arctic and North Sea drilling costs, 1450
Control of industry, 1448
Crude oil, definition of, 1417
Federal payments to oil-producing provinces, 1417-18, 1442-3, 1446
Imposition and collection of tax, 1417
Liability of exporters, 1417
Oil price increases, effect on have-not provinces, 1443
Prices, fluctuation and dangerous effect of, 1449-50
Royalties, 1417
Tar sands oil, 1450
US reaction to Canadian policies, 1447-8
Speakers: Honourable Senators
Laing, Arthur, 1446-8
Macdonald, John M., 1442-3
Macnaughton, Alan A., 1416-18, 1453
Phillips, Orville H., 1450-3
van Roggen, George, 1448-50

Oil Export Tax bill C-245. 1r, 1416; 2r, 1416-18, 1442-3, 1445-53; 3r, 1492; r.a., 1517

Old age security (Bill C-147)
Age of eligibility, 465
Allotment of income to nursing homes, 465-6, 468
Basic pension for single and married persons, 441-2
Costs of increase, 442
Excerpt from speech of Hon. Marc Lalonde, 447, 448
Guaranteed annual supplement, 444, 466
Guaranteed income at 60 yrs. or because of misfortune, suggestion for, 467
Income tax, 442
Increase in proportion to cost of living, 465
Poverty line, 464
Provincial 'comfort' allowance, 468
Recommendations of Poverty Committee, 446
Rental increases due to pension increases, 444
Statistics on income of people 65 yrs. old and over, 442
Speakers: Honourable Senators
Argue, Hazen, 467-9
Asselin, Martial, 463-6, 469

Old age security (Bill C-147) — *Concluded*
Speakers: Honourable Senators — *Concluded*
Croll, David A., 445-8
Denis, Azellus, 440-3, 469, 479
Macdonald, John M., 443-5

Old Age Security bill C-147 (No. 1). 1r, 424; 2r, 440-8, 463-70; ref to com, 470; rep without amdt, 476; 3r, 476; r.a., 480

Old age security (Bill C-219)
Amendments to act, 1000
Government expenditures on old age pensions and security, 999
Pensions in relation to cost of living index, 999
Speakers: Honourable Senators
Everett, Douglas D., 1000-4
Flynn, Jacques, 1010-12
Lapointe, Renaude, 998-1000
Phillips, Orville H., 1004-7, 1009-10

Old Age Security bill C-219 (No. 2). 1r, 998; 2r, 998-1007, 1009-12; ref to com, 1012; rep without amdt, 1017; 3r, 1035-6; r.a., 1052

O'Leary Hon. M. Grattan
Address in reply to Speech from the Throne, 56-60
Criminal Code bill C-2 (Capital Punishment), 1144-6, 1148
Innocent persons, conviction of, 1145
Sanctity of life, 1145
Education, post-secondary schools and universities, 274-5
Estimates, loans, investments or advances, 191
Farm Improvement Loans bill S-3, removal from Commons Order Paper, 851
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 56
Interparliamentary Group, Canada-United States, 15th annual meeting, 657-9
Co-chairmen of Canadian delegation, 659
Delegates, briefing of, 658
Press exclusion from meetings, 658
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 948
Middle East, participation of Canadians in UN Peacekeeping Force, 1081
Minority government, 56-58
"Alliance for survival", 56
National unity, 58-60
Misunderstandings of Quebec, 59-60
Protection of Privacy bill C-176, 1327-8, 1472-4
Authorization to use bugging devices, 1327
Senate
Business, 986, 988
Reform, question of privilege re statement by Hon. Mr. Croll, 325
Role of, 56, 57
Vietnam Cease-fire Agreements, Canada's role in, 226, 227-8

Olympic Summer Games (1976)
COJO budget, 958, 964-5
Correspondence between Prime Minister and Montreal officials, 971-2

Olympic Summer Games (1976) – *Concluded*
Costs of Games and sources for revenue, 958-60, 961-4
Coins and stamps, 959-60, 961-2
Lotteries, 960, 962; objections cited, 962
Security, 960, 962, 965
Speakers: Honourable Senators
Asselin, Martial, 961-3, 965
Deschatelets, Jean-Paul, 958-61, 964-6
Forsey, Eugene A., 964, 966
Macnaughton, Alan A., 963-4

Olympic Summer Games (1976) bill C-196. 1r, 958; 2r, 958-66; 3r, 966; r.a., 970

Opening of Parliament
Arrival of Deputy Governor General at Senate Chamber, 1
Arrival of Governor General at Parliament Buildings to formally open Session, 2
Speech from the Throne, 7-11
See Address in reply to Speech from the Throne

Orders and Customs, Standing Senate Committee
Appointment, 11

Orders of the Day
British North America Acts 1867 to 1965 bill S-3 (Yukon and Northwest Territories Senate representation), Order stands, 819
Criminal Code and National Defence bill S-8 (Total Abolition of Capital Punishment), Order stands, 809-10, 815-19, 838
Farm Improvement Loans bill S-5, removed from Commons Order Paper, 717-20
Speaker's ruling on point of order, 838

Parliament Hill
Expropriation of adjacent land and buildings, 923
Senate parking, 1144

Parole
Appointment of policemen or judges to board, 1377
Board membership, increase in, 1324
Drumheller penitentiary, 1384
Parolees, statistics on rehabilitation and employment, 1377
Regionalization of Board's services, 1324
Rehabilitation and psychiatric treatment, deficiencies in, 1384-5
Rehabilitation success story, 1385-6
Temporary absences, 1324
Speakers: Honourable Senators
Choquette, Lionel, 1375-6
Goldenberg, Carl, 1324, 1325, 1386
Hastings, Earl, 1377, 1384-6
Macdonald, John M., 1324-5

Parole bill C-191. 1r, 1292; 2r, 1324-5. 1375-7, 1384-7; 3r, 1394; r.a., 1404

Parole system in Canada
Inmates authorized temporary absences, 176, 177-8
Legal and Constitutional Affairs Committee to examine and report on parole system in Canada, 145
See Criminal Code and National Defence bill S-8,
Criminal Code bill S-2,
Penal reform,
Penitentiaries.

Paterson, Hon. Norman McL.
Criminal Code bill S-2 (Control of Weapons and Firearms), 368

Pearson, Right Hon. Lester Bowles, former Prime Minister of Canada, the late
Tributes, 2-5, 17, 25, 40-41, 45-46, 61, 82, 86, 91, 125-6, 154-5, 157
United World Colleges and Pearson College of the Pacific, 264-6, 493-4

Penal reform
Capital punishment, 15
Crime and treatment of offenders, opinion of UN Committee of Experts on prevention of, 78
Deaths in federal institutions, 170, 177-8
Murders of police officers, 396
Parole of dangerous criminals, 241
Temporary absences granted on regular basis, 170, 176
Weapons and firearms, control of, 240-8, 258-60, 271, 353-6, 360-5, 367-71
See Criminal Code and National Defence bill S-8,
Criminal Code bill S-2,
Parole system,
Penitentiaries.

Penitentiaries
Deaths in federal institutions, 170, 177-8
Temporary absences granted on regular basis, 170, 176
See Parole system,
Penal reform.

Pension
Basic pension vs rate for unskilled labour, 765, 766, 767-8
Dependants allowance, 769, 770
Discretionary pension to parent, 765
Entitlement to other pensions, 770-1
Rehabilitation, 770
Standard of living clause, omission of, 768
War veterans allowance, 771
Speakers: Honourable Senators
Buckwold, Sidney L., 770
Burchill, G. Percival, 771
Carter, Chesley W., 765-7, 769, 770, 771
Croll, David A., 768-9
Phillips, Orville H., 766, 767-8, 769-71

Pension bill C-202. 1r, 764; 2r, 764-8; 3r, 768-71; r.a., 808

Pensions and social security measures
See Canada Pension Plan (No. 2) bill C-223,
Old Age Security bill C-147,
Pension bill C-202,
Unemployment Insurance bill C-214,
War Veterans Allowance bill C-148.

Perrault, Hon. Raymond J. (Introduced in the Senate Oct. 30/73)
Criminal Code bill C-2 (Capital Punishment), 1083-5, 1198
Commutation of sentence, 1084
Law enforcement officials and agencies, protection for, 1084
Recidivism, 1085
Reform and rehabilitation, 1085
Election Expenses bill C-203, 1439-40
Broadcasting provisions, 1439-40
Protection of Privacy bill C-176, 1475-7

Petten, Hon. William J.
Newfoundland Book of Remembrance, 1055
Transportation, Eastern Canada, 1392

Phillips, Hon. Orville H.
Appropriation bill No. 2, 1973 C-166, 413-4, 415
Appropriation bill No. 5, 1973 C-239, 1357-8, 1363-5
Committee work, point of order re, 189
Criminal Code bill C-2 (Capital Punishment), 1087
Economic conditions and prospects, 1005-6
Food prices, 1005-6; subsidy for destruction of fowl, 1005
Inflation, 1005
Education, graduates from universities, 1061
Election Expenses bill C-203, 1438-9
Energy resources, shortage of petroleum products in Canada, 1428
Energy Supplies Emergency bill C-236, 1513-15
Oil exports allowed by government during crisis, 1513-14
Oil prices, 1515
Estimates
Adult occupational training, 236
Atlantic salmon fishermen, compensation due to closure of fishery, 235
Crop losses, compensation for, 235
Dollar items, 380, 413, 414, 415
Environment Dept., 235
Expenditures vs GNP, 397, 401
Hopper cars leased to railways, 236
Increase in government budget (1964-72), 397
Information Canada, 397
Local Initiatives Program, 191, 236
Metropolitan Area Growth Investments Ltd., 236
National debt and interest on, 397-8, 414
Northern Transportation Co., loan for purchase of barges, 236
Pilotage Authority contracts, 237
Polymer Corp., sale to CDC, 399-400, 415
Questions asked at committee meeting and answered by Treasury Board representative, 235-7

Phillips, Hon. Orville H. – *Concluded*
Estimates – *Concluded*
Renewable Resources Program, 398-9
Salaries of MPs vs senior public servants, 397
Secretary of State Dept., recovery of educational grants, 414
Winter Capital Projects Fund, 235
Family Allowances bill C-211, 1317-19
Administration costs, 1318
Provincial differentiations, 1318-19
Federal-Provincial Fiscal Arrangements bill C-233, 1280-1
Fire in Senate upholstery room, 191
Gasoline and fuel oil, export controls, 720
Legislation, delay in receipt of bills, 188, 189
Maintenance of Railway Operations bill 1973 C-217, 981-2
Right to strike and hardships resulting from, 980; Atlantic provinces, 980
National Dental Examining Board of Canada bill S-7, 633, 652, 653, 1387
National Housing bill C-133, 738-42
Amortization of 40 yrs., 739
Indian reservations, 741
Interest rates, 739
Land assembly, 739-40
Neighbourhood improvement programs, 740
New communities, 741
Non-profit organizations, 741
Non-resident ownership, 742
Quebec, special agreement with, 741
Salaries vs housing costs, 738-9
Subsidization for low-income persons, 739, 740
Oil Export Tax bill C-245, 1450-3
Old Age Security bill C-219, 1004-7, 1009-10
Pension bill C-202, 766, 767-8, 769-71
Basic pension vs rates for unskilled labour, 767-8
Entitlement to other pensions, 770-1
Rehabilitation, 770
Standard of living clause, omission of, 768
Protection of Privacy bill C-176, 1504-5
Public Service Staff Relations bill C-178, 561
Residential Mortgage Financing bill C-135, 1365-6
Directors of corporation, 1365
Mortgage investment companies, limitations and regulations re, 1366
Supplementary Retirement Benefits bill C-220, 1041-3
Armed Forces, members of Parliament, Public Service, RCMP, 1042, 1043
Transportation, Eastern Canada, 1396-8
Unemployment Insurance bill C-124, 188-9, 207-10
War Veterans Allowance bill C-148, 410, 425-7
Income and casual earnings, 428
Personal property limitation, 410
Re-establishment credits, 426
War veterans allowance and old age security, confusion in administration of, 426

Pilotage
Regional authorities, 162
Royal Commission on Pilotage, 161
Tariffs and appeals against, 162-3
Validity of bylaws and regulations adopted under Shipping Act, question of, 163
Speakers: Honourable Senators
Flynn, Jacques, 163-4, 165, 166
Langlois, Leopold, 161-3, 165, 166

Pilotage bill C-127. 1r, 161; 2r, 161-6; ref to com, 166; rep of com, 166; 3r, 166; r.a., 168

Point of order, see Rules of the Senate

Pollution, see Environmental problems

Polymer Corporation
Investments in South Africa, 103, 240
Sale to Canada Development Corporation, 399, 400, 403, 413-14, 415

Post Office
Collective bargaining, 71
Disruptions due to labour disputes, 102, 143
Mail service deficiencies, 71, 102, 143
Mail transport, correspondence with National Trade Unions re, 396
Title of Postmaster General, 396

Poverty, Special Senate Committee
Report of expenses tabled, 102

Prince Edward Island
Centennial, 110-11
Council of Maritime Premiers, 109
Historical background of Island, 108
PEI-Mainland ferry service, 1212-17, 1387-92, 1394-8
Tourist attractions, 109-10
Wealth of resources, 110

Printing of Parliament, Joint Committee
Members
Commons, 160
Senate, 142

Private bills
See Bills, Private, Senate

Privilege, question of
Air Canada, aborted landing at Ottawa airport, reply to question re, 1208, 1245, 1269-70, 1490
Amplification system in Senate Chamber, 55
Apology, Hon. Mr. Forsey, 407-8
Forged letters, complaint re, 191-3

25862—G

Privilege, question of – *Concluded*
Income Tax bill C-259, newspaper article concerning passage of bill, 174-5
Legal and Constitutional Affairs Committee, meeting notices, 1292-3
Magazine article "The Wrackers of Newfoundland", 28
Montreal Gazette editorial re Senate, 1069
Newspaper article re alleged statement by Hon. Mr. Lamontagne, 1034
Pearson College of the Pacific, 264-6
Railway passes for Senators, 53-54
Science Policy Committee appointment, 173
Science Policy Committee report Vol. 3, release to press before presentation in Senate, 1008-9
Senate reform, statement by Hon. Mr. Croll, 325
Television interview of Hon. Renaude Lapointe on 'Appelez-moi Lise', 1393
Vietnam, appeal for peace, statement by four parliamentarians, 54-55
Western Canada, newspaper report re, 186

Property qualification of Senators
Return presented, 280; supplementary return authorized, 703

Prorogation of 1st Session of 29th Parliament
Communication from Administrative Secretary to Governor General, 1522
Speech from the Throne, Right Hon. Bora Laskin, P.C., Chief Justice of Canada and Deputy of the Governor General, 1522-5

Protection of privacy
Authorization to use bugging devices, 1294, 1326-9
Crown liability, 1294
Espionage, sabotage or other subversive activity, 1294
Offences re interception and disclosure of private communications, 1294
Rejection by Commons of Senate amdt, 1453-8, 1459-88, 1492-1509
Speakers: Honourable Senators
Asselin, Martial, 1467-8
Buckwold, Sidney L., 1493-6
Cameron, Donald, 1328-9
Carter, Chesley W., 1326-8, 1478-81, 1488, 1491, 1496, 1497-9
Choquette, Lionel, 1325-6, 1444, 1455-8
Deschatelets, Jean-Paul, 1506-7
Everett, Douglas D., 1500-02
Forsey, Eugene A., 1481-5
Goldenberg, Carl, 1453-5, 1509
Hicks, Henry D., 1492-3
Lang, Daniel, 1293-4, 1475
Langlois, Leopold, 1485-8
Lawson, Edward M., 1329
Macdonald, John M., 1328
Macnaughton, Alan A., 1504
Manning, Ernest C., 1328
Martin, Paul, 1444, 1468-72, 1496, 1498-9
McElman, Charles, 1507-9
McIlraith, George, 1460-7
Molson, Hartland de M., 1459-60, 1509
Neiman, Joan, 1505-6
O'Leary, M. Grattan, 1472-4

Protection of privacy – *Concluded*
Speakers: Honourable Senators – *Concluded*
Perrault, Raymond J., 1475-7
Phillips, Orville H., 1504-5
Rowe, Frederick William, 1502-3
van Roggen, George C., 1484-5

Protection of Privacy bill C-176. 1r, 1245; 2r, 1293-4, 1325-9; ref to com, 1329; rep with amdt, 1360-1; 3r, 1361-2; Commons disagreement with Senate amdt, 1444; m for consideration later this day, 1444; vote on m, 1445; m agreed, 1446; consideration of Commons message, 1453-5, m re non-insistence of amdt, 1455-8, 1459-80; further m re non-insistence of amdt, and further amdt to amended m, 1480-8, 1492-1500; m in amdt lost, 1500; further discussion, 1500-9; m that Senate amdt be withdrawn and that message be sent to Commons, 1509; m agreed, 1509-10; r.a., 1517

Prowse, Hon. J. Harper
Alberta Legislature, 684
Criminal Code bill S-2 (Control of Weapons and Firearms), 360-3
Deaths through violence, 361
Registration of weapons, 362
Interest rates, question re, 1041
Maintenance of Railway Operations bill 1973 C-217, 981, 984
Rules of the Senate, postponement or adjournment of debate, 818
Senate committees work, 189
Transportation and freight rates, 477-80
Air transportation capital expenditures, 479
Oil pipeline costs, 480
Unemployment Insurance bill C-124, 189

Public bills
See Bills, general data,
Bills, Public, Commons,
Bills, Public, Senate.

Public Service
Bilingualism
Disruption in departments due to immersion courses, 75, 77
Employment practices re, 522
National unity and bilingualism, 74
Training costs, 75
Management training, 70-71
Post Office
Deficiencies in operation of, 71, 102, 143
Questions re, 102, 143

Public Service Staff Relations Board
Deputy Chairman, 560
Salaries and daily allowance of Board members, 561
Travel assignments, 561

Public Service Staff Relations Board – *Concluded*
Speakers: Honourable Senators
Choquette, Lionel, 561
Lang, Daniel A., 561-2
McIlraith, George, 560-1
Phillips, Orville H., 561

Public Service Staff Relations bill C-178. 1r, 552; 2r, 560-5; 3r, 565; r.a., 566

Public Works Department
Art Advisory Committee, 1167, 1210-11, 1228, 1238, 1241-4
Cost of decorating federal government buildings, 1208-9

Quart, Hon. Josie D.
Address in reply to Speech from the Throne, 38-39
Criminal Code bill C-2 (Capital Punishment), 1169-70
Family Allowances bill C-211, 1309-10
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 38
St. Patrick's Day, 353
Welcome to new Senators, 38
Women in public life, 38-39
Albertans appeal to Supreme Court for appointment of women Senators, 38-39
Role in the Senate, 38-39

Quebec
Education, post-secondary schools and universities, 285-6
Election results, 1060-1
Racism, question of attacks on Conservative Party re, 114-15

Question of Privilege, see Privilege, question of

Questions
Air Canada
Aborted landing at Ottawa airport, 1208, 1245, 1269-70, 1490
Rotating strikes by machinists, 684
Air terminals, baggage handling facilities, 1419-20
Capital punishment, murders of police officers, 396, 618-19
Civil aviation, protection against hijacking and terrorism, 1383-4, 1404-5
Consumer Credit, Joint Committee, salaries and expenses, 258
Criminal Code, abolition of capital punishment, 15
Crown corporations, tax on net income, 505, 553-4
Decorating of government buildings, high costs of, 1067
Elevator technicians' strike, 102, 143
Energy resources
Crude oil and natural gas, national policy, 720, 797, 1017
Oil exports to US, 1142-3
Oil shipments, navigational and pollution hazards, 1143-4, 1227-8
Shortage of petroleum products in Canada, 1428
Transshipment for domestic heating, temporary storage, heating oil shortage, 1144, 1228, 1245
Fire in Senate upholstery room, 191

Questions
Income tax
Deadline for filing of returns, 505
Statistics on filing of returns, 633, 703-4
Information Canada, delay in delivery of Hansard, 1115
Interest rates, 1041
Labour relations, 102, 143
Legislation, introduction of bills in the Senate, 225
Maps for Senators' desks, 352-3
Middle East hospital facilities, 1226-7
Official languages, alleged statement by Commissioner re 'Westmount Rhodesians', 495
Polymer Corporation, investments in South Africa, 103, 240
Portugal visit of His Royal Highness the Duke of Edinburgh, 566
Post Office Department
Confederation of National Trade Unions and Post Office, correspondence re mail transport, 396
Disruptions in mail service and administration of department, 102, 143
Title of Postmaster General, 396
Protection of Privacy bill C-176
Commons decision concerning Senate amdt, 1419
Communication from Attorneys General, 1491
Newspaper article re statement by Senator Goldenberg on the role of the Senate, 1427-8
Public Works Department
Art Advisory Committee, 1167, 1210-11, 1228, 1238, 1241-4
Cost of decorating federal government buildings, 1208-9
Railways, failure of employees to return to work after passage of Bill C-217, 993-5
Restaurant of Parliament, cost of meals and availability of Confederation Bldg. facilities to Senators, 1067
Senate
Debates of the Senate (Hansard), Senators' style of address, 1445
Parking area, 1144
Telephone service delays, 827
Television interview of Hon. Renaude Lapointe on 'Appelez-moi Lise', 1393
Vietnam, International Commission of Control and Supervision
Appearance of Secretary of State for External Affairs before Foreign Affairs Committee, 504-5, 542
Disappearance of two Canadian officers attached to ICCS, 827
West Coast ports operations, 16
Western Economic Opportunities Conference, 881, 890
See also Inquiries

Radio and television commercial advertising in Canada, 659-62, 918-22, 937-8

Railways
See Canadian National Railways,
Maintenance of Railway Operations bill C-217,
Transportation and freight rates.

Railways bill S-1 (pro forma). 1r, 11

Rattenbury, Hon. Nelson (Deceased May 27, 1973)
Tributes, 663-4

Reform of the Senate, see Senate Reform

Regulations and Other Statutory Instruments, Joint Committee
Meetings during adjournments of Senate, 293, 890
Members
Commons, 160
Senate, 142
Production of papers, notice of motion re, 440
Quorum, 890, 918

Residential mortgage financing
Capital and loan arrangements, 1315
Federal Mortgage Financing Corp., 1315; directors of, 1365
Mortgage companies, limitations and regulations re, 1366
Tax benefit, 1323
Speakers: Honourable Senators
Belisle, Rheal, 1323-4
Phillips, Orville H., 1365-6
Stanbury, Richard J., 1313-15

Residential Mortgage Financing bill C-135. 1r, 1292; 2r, 1313-15, 1323-4, 1365-6; ref to com, 1366; rep without amdt, 1383; 3r, 1393; r.a., 1404

Restaurant of Parliament, Joint Committee
Costs of meals and availability of Confederation Bldg. facilities to Senators, 1067
Members
Commons, 160
Senate, 142

Riel, Hon. Maurice (Introduced in the Senate Oct. 30/73)

Riley, Hon. Daniel (Introduced in the Senate Jan. 9/74)

Robichaud, Hon. Louis-J., P.C. (Introduced in the Senate Jan. 9/74)

Rowe, Hon. Frederick William
Address in reply to Speech from the Throne, 40-44
Criminal Code bill C-2 (Capital Punishment), 1188
Criminal Code bill S-2 (Control of Weapons and Firearms), 258-60, 369
Assassinations of prominent persons, 258
Drug addiction vs crime and violence, 259
Profiteering from sale of arms, 'legitimate' drugs, tobacco, 259-60
US record of violence, 258-9
Drew, Hon. George Alexander, the late, 41
Drugs, criminals' control in marketing of, 43
Education, post-secondary schools and universities, 255, 689-94
Newfoundland and Labrador, 692-3
Non-acceptance of federal assistance for education, 693
Provisions in Constitution re education, 690-1
European Community, 1012-16
Canada's participation, 1014-15
Employment of interns from non-member countries, 1014
'The Growth of European Unity', 1013
Implications beyond economic factors, 1013-14; political and military aspects, 1014

Rowe, Hon. Frederick William – *Concluded*
Fergusson, Hon. Muriel McQueen, appointment to office of Speaker, 40
Inter-Parliamentary Union, 60th annual conference, 334-6
Drug abuse, 335
Excerpt from statement by Netherlands' delegate, 335
Marijuana, 335
Magazine article "The Wrackers of Newfoundland", question of privilege, 28
National unity, 41-42, 694
Newfoundland and Labrador
Dependence on foreign capital for industrial and resource developments, 1015, 1020
Federal-provincial cooperation in solving of problems, 691-2
Roads-to-Resources program, 692
Student transportation costs, 693
Trans-Canada Highway, 692
University enrolments, 693
Pearson College of the Pacific, 265
Pearson, Right Hon. Lester Bowles, the late, 40-41
Penal system reform, 43
Protection of Privacy bill C-176, 1502-3
Racial discrimination, 43-44
Science policy, Commission on the Future, 911-13
Senate Chamber seating plan brochure, point of order, 225-6
Transportation, North Sydney-Port aux Basques freight and passenger service, Prince Edward Island-Mainland ferry service, 1212-14
Unemployment Insurance bill C-124, 203
Seasonal problems of Atlantic fishermen, 203
Welfare, employment and unemployment, 42-43
Abuses by recipients of welfare and unemployment insurance, 42-43
'Backlash', 41, 43
Newfoundland and Labrador problems, 42-43
Women in public life, 43-44
Discriminations, 43-44; Inter-Parliamentary Conference, Rome, Italy, 44

Royal assent, 167-8, 224, 314, 439, 480, 566, 808, 969-70, 985, 1267-8, 1404, 1517
Abbott, Hon. D.C., 439
Fauteux, Right Hon. Gerald, 167-8, 224, 480, 1267-8
Laskin, Right Hon. Bora, 969-70, 1517
Martland, Hon. Ronald, 985
Michener, Right Hon. Roland, His Excellency the Governor General, 566
Ritchie, Hon. Roland A., 808, 1404
Spence, Hon. Wishart F., 314

Rules of the Senate
Adjournment or suspension of sitting, 266-9
Amending of bills, 1183-9, 1191
Committee meetings during Senate sittings, 695-7, 704, 780-1, 1301
Debate procedure, 402
Leave to speak second time, 818-19
Manner of address when speaking in the Senate, 716
Orders and customs of Parliament, unwritten rule re reference to proceedings of the other place, 939
'Parliamentary Practice', excerpts from, 1183, 1188, 1189, 1190, 1192
Personal, sharp or taxing remarks, 209

Rules of the Senate – *Concluded*
Point of order re Criminal Code bill S-2 (Control of Weapons and Firearms), 1144
Postponement or adjournment of debate (Order stands, Criminal Code and National Defence bill S-8), 809-10, 815-19; Speaker's ruling, 828
Question period, debate not permissible, 990
Reference to proceedings of the other place, 931, 939
Reflections cast on the other house, excerpt from "May" re such statements, 990
Ringing of bell to call Senators for vote, time limit, 1515
Rules 44, 45 and 78, suspension of, 752, 975, 1398-1400
Senator speaking on matter of which judicial decision is pending, ruling re, 1391
Senators' style of address, 1445
Speech during question period, 1428
Two days' notice of motion, 141, 556, 559-60

St-Laurent, Right Honourable Louis Stephen, former Prime Minister of Canada, the late, 950-3

St. Patrick's Day, 351-2

Saskatchewan
Economic problems and 'have not' aspects, 65
Freight rates, 66-69
Churchill, 66, 68-69
Rapeseed oil and meal, 66
Political background, 65
Population decrease, 65
Public works expenditures by federal government, 66

Science policy
Budgetary recommendations, 1236-7
Endorsations of committee report, 171
Government organization for science, technology and innovations, conclusions re, 1140-1, 1235-8
Innovation in productive sector, 171
Institute of Social Policy, 1237
Interministerial federal-provincial committee, 1236
Interparliamentary association of science and technology, 1238
OECD examiners' statement, 1137
RIFO, Sweden, 1238
Science attaches for foreign countries, 1237
Science magazine article by Sanford A. Lakoff, 171-2
SCITEC, 1238
Submission of report to press before presentation in Senate, question of privilege, 1008-9
Treasury Board and ministry relationship, 1138-9
UK and US organizations, 1137-8
Speakers: Honourable Senators
Asselin, Martial, 1009
Burchill, G. Percival, 916
Cameron, Donald, 102-3, 170-2, 906, 1366-72
Carter, Chesley W., 913
Flynn, Jacques, 172, 173, 916, 1008
Grosart, Allister, 173-4, 913-14, 1235-8
Laing, Arthur, 904-5
Lamontagne, Maurice, 172, 880-1, 900-6, 916-17, 1008, 1136-41

Science policy – *Concluded*
Speakers: Honourable Senators – *Concluded*
Langlois, Leopold, 914-15
Martin, Paul, 174
Rowe, Frederick William, 911-13
Smith, Donald, 905-6
Walker, David J., 1008

Science Policy, Special Senate Committee
Appointment, 102-3, 174
Budget (1972-73 and 1973-74), 88, 291, 795, 918, 1360
Commission on the Future, 901-6, 911-17
Members, 170
Reports
Vol. 3, A Government Organization for the Seventies, 900-6, 1008-9, 1136-41, 1235-8, 1366-72
Authority to publish and distribute report, 880-1, 900
Terms of reference, 170

Selection Committee
Appointment, 11
Members, 11; question re, 68
Reports
Members of Standing Committee, 102, 116-17, 140-2

Senate
Amplification system in Senate Chamber, 55, 1034-5
Business 277-9, 504, 651-2, 664-5, 674-5, 683, 695, 716-17, 749, 752, 792, 796-7, 826-7, 881, 922, 926, 956-7, 958, 966, 969, 970, 974, 976, 985, 986-93, 1246-7, 1270, 1310, 1314-15, 1491-1, 1515
Canadian Flag, motion to display Flag in Senate Chamber agreed, 257, 505
Chamber seating plan brochure, point of order, 225-6
Clerk's accounts
Receipts and disbursements (1972-73) ref to Internal Economy, Budgets and Administration Committee, 673; rep of com, 1360
Committees
Chairmanship of two committees occupied by one Senator, 172-3
Point of order on relevance of remarks re work of, 189
Work of, 122-3
Emergency sitting, motion to convene Senate during adjournment, 103, 144
Emergency sitting, recalling of Senators during adjournment, question of privilege referred to Law Clerk, 160-1
Fire in upholstery room, 191
Government Whip, 1080-1
Maps for Senators' desks, 352
Montreal Gazette editorial re Senate, question of privilege, 1069
Railway passes for Senators, 53-54
Role of, 56, 57, 121-3
Senators' style of address, 1445
Speaker of the Senate, appointment, commission re, 1
Speeches, lack of newspaper coverage of, 129
Telephone service delays, 827
Television interview of Hon. Renaude Lapointe on 'Appelez-moi Lise', 1393

Senate – *Concluded*
See Protection of Privacy bill C-176, Commons rejection of Senate amdt, 1453-8, 1459-88, 1492-1509,
Rules of the Senate,
Senate reform.

Senate reform, 234, 316-24, 325, 485-8, 489-92, 499-503, 507-18, 653-7, 675-9, 705-12, 744-9, 819-25, 870-2
Appointments, control of, 516, 655, 678, 746, 822, 823
Federal-provincial liaison re, 655
Political partisanship, 746, 822
Provincial distribution, 322, 491, 508-9, 513, 516
Representation of Yukon, NWT, minority parties and groups, 747, 822, 823
Areas of reform through Constitution, Governor General and the Senate, 872
Attendance at Senate sittings, committee meetings, caucus and Royal assent, 820-1
Bilingualism, 821, 871
Canadian affairs, committee and subcommittees for, 324, 490
Canadian Constitutional Charter, proposed draft statute, 656-7
Committees, 319-20, 324, 487, 490, 511, 654, 709, 745-7, 823, 824
Accommodation for meetings, 872
Aging, 319-20, 746
Chairmen, 324, 747, 823
Consumer Affairs, 320
Land Use, 319, 745
Manpower and Employment, 319, 745-6
Mass Media, 320
Poverty, 320
Science Policy, 320
Communication with constituencies, 821, 823
Criticisms by MPs and media, 819-20, 824
Government Leader and Opposition Leader, 323, 491, 509, 655, 678-9, 708, 746, 823; retirement age, 323; tenure of office, 323
Hours of sitting, 711, 872
House of Lords and Senate of Canada, comparison, 744-3
Interpretation facilities, 871-2
Legislation, Senate initiation of, 487, 510-11, 518, 677, 710
Order Paper items, delays in completion of, 821
Parliamentary reform, 501
Precedents of suggestions or debates on Senate reform, 487
Preservation of parliamentary system, 656
Public appearances by Senators to extend knowledge of Senate, 821
Question of privilege re statement by Hon. Mr. Croll, 325
Re-election after 7 yrs., mandate by jury of Senators, 821
Retirement age of Senators, 323, 490, 514, 655, 678, 707, 746, 822-3
Salaries, 823
Senator as minister without portfolio, 323, 490
Senators Active and Senators Emeritus, 491-2
Speaker, 323, 491, 509
Statements by Sir John A. Macdonald and Rt. Hon. Arthur Meighen, 744-5
Teacher training in parliamentary procedures, 706
Tenure of appointment, 491, 502
'The Constitution and the People of Canada', 675-6, 871
'The Modern Senate of Canada', by J.A. Kunz, 489-90

Senate reform — *Concluded*
'The Unreformed Senate', 822
Title of 'Honourable', discontinuance of, 821
Travelling time of Senators from Eastern and Western Canada, 748
Veto power, 322, 491, 501, 677, 678, 707, 746, 822, 871
White Paper on Senate Reform, excerpt from speech by Hon. John J. Connolly, 317-18
Speakers: Honourable Senators
Connolly, John J. 653-7
Croll, David A., 234, 316-24
Desruisseaux, Paul, 485-8
Forsey, Eugene A., 512-18
Hicks, Henry D., 507-12
Lafond, Paul C., 871-2
Lang, Daniel, 685-9
Langlois, Leopold, 744-9
Lapointe, Renaude, 819-22
Lawson, Edward M., 822-5
Manning, Ernest C., 499-503
McIlraith, George, 705-12
Nichol, John, 489-92

Senators, deceased
Isnor, Hon. Gordon B., (Mar. 17/73), 357-9
McLean, Hon. Donald A. (Nov. 5/73), 1079
Rattenbury, Hon. Nelson (May 27/73), 663-4

Senators, new
Asselin, Hon. Martial, P.C. (Jan. 4/73), 1
Cote, Hon. Joseph Julien Jean-Pierre, P.C. (Jan. 4/73), 2
Godfrey, Hon. John Morrow (Oct. 30/73), 1053
Greene, Hon. John J., P.C. (Jan. 4/73), 2
Laing, Hon. Arthur, P.C. (Jan. 4/73), 1
Neiman, Hon. Joan (Jan. 4/73), 1
Perrault, Hon. Raymond Joseph (Oct. 30/73), 1053
Riel, Hon. Maurice (Oct. 30/73), 1053
Riley, Hon. Daniel (Jan. 9/74), 1413
Robichaud, Hon. Louis-J., P.C. (Jan. 9/74), 1413

Senators, resigned
Nichol, Hon. John (Apr. 11/73), 489-5

Senators, retired
Kinnear, Hon. Mary E. (Apr. 3/73), 405-7
White, Hon. George S., P.C. (Nov. 17/72)

Shipping and shipbuilding
Coasting trade, inquiry undertaken by CTC, 155-6
Employment and economic potential, 156
Merchant marine, 156
Oil shipments, navigational and pollution hazards, 1143-4, 1227-8
STAP, 155

Smith, Hon. Donald
Fisheries Development bill C-4, 934-5
Internal Economy, Budgets and Administration Committee
Budgets of committees
Agriculture, 504
Banking, Trade and Commerce, 795
Foreign Affairs, 291, 674, 795
Legal and Constitutional Affairs, 291, 673-4, 1360
National Finance, 674, 795
Science Policy, 88, 291, 795, 1360
Clerk's accounts, receipts and disbursements for year 1972-73, 1360, 1382
Telephone credit cards for Senators, 651
Isnor, Hon. Gordon B., the late, 357-8
National Dental Examining Board of Canada bill S-7, 652-3, 666
Science policy, Commission on the Future, 905-6
Senate parking area, 1144

Social security
Budget standards for basic needs, NHW statistics, 130-1
Day care centers, 108
Federal-provincial conferences, 135, 137
'Gap between NDP and Poor', Toronto Globe and Mail editorial, 130
Housing, 137
Income distribution, 85
Newfoundland and Labrador problems, 42-43
Nursing homes and minimum care institutions, allotment of pension cheques to, 131-3
Old age security, 132-4
Teenagers on welfare, 242
Unemployment insurance abuses, 42-43, 70, 72
Welfare incomes, 129-30
Working poor, 72
See Old Age Security bill C-147,
Supplementary Retirement Benefits bill C-220,
Unemployment Insurance bill C-124,
War Veterans Allowance bill C-148.

South Africa, Republic of
Wage practices of Canadian companies, 1176-80

Sparrow, Hon. Herbert O.
European Community meeting, 679-81
Canada-UK trading pattern, 680
Information office in Canada, 681
Multilateral reduction of world trade tariffs, co-operation with US re, 681
Potential for trade with Community, 680
Farm Improvement Loans bill S-5, 571-2
Guarantee against loss by lenders, 572
Increase in principal amount of loan, 571
Statistics on loans (1968-71), 572
Terms, security for loans and interest rate, 572

Speaker of the House of Commons, Hon. Lucien Lamoureux
Address to Indian Prime Minister Madam Indira Gandhi, 759-60
Address to Mexican President Luis Echeverria, 452
Statement at Opening of Session, 7

Speaker of the Senate, see Fergusson, Hon. Muriel McQueen
Commission appointing Speaker of the Senate, 1
Pro tem, Hon. John M. Macdonald, 476
Pro tem, Hon. Maurice Bourget, 463
Statement at Opening of Session, 463

Special Committees, see Committees, Senate, Special

Speech from the Throne
Opening of 1st Session of 29th Parliament, 7-11
See Address in reply to Speech from the Throne
Prorogation of 1st Session of 29th Parliament, 1522-5

Spence, Hon. Wishart F., O.B.E., Puisne Judge of the Supreme Court of Canada
Royal assent, 314

Sports
Molson, Hon. Hartland de M., elected to Hockey Hall of Fame, 715
See Fitness and amateur sports,
Olympic Summer Games (1976) bill C-196.

Stanbury, Hon. Richard J.
Criminal Code bill C-2 (Capital Punishment), 1121-2
Residential Mortgage Financing bill C-135, 1313-15
Capital and loan arrangements, 1315
Federal Mortgage Financing Corp., 1315

Standing Committees, see Committees, Senate, Standing

Statute law relating to income tax, see Income Tax bill C-193

Statute law relating to supplementary retirement benefits, See Supplementary Retirement Benefits bill C-220

Sullivan, Hon. Joseph A.
Athletic achievements, 1080

Supplementary retirement benefits
Amounts payable out of CRF, 1037
Armed Forces, diplomatic service, members of Parliament, Public Service, RCMP, 1037-8, 1042, 1043, 1044
Benefits, stationary aspect, 1037
Ceiling on escalation of pensions of public servants and others, 1037
Widows of retired judges, 1037

Supplementary retirement benefits – *Concluded*
Speakers: Honourable Senators
Forsey, Eugene A., 1036-8, 1043-4
Phillips, Orville H., 1041-3

Supplementary Retirement Benefits bill C-220, 1r, 1027; 2r, 1036-8, 1041-4; 3r, 1044; r.a., 1052

Supply bills
See Appropriation bills,
Estimates.

Tanzania, Kenya and South Africa, visit of Canadian businessmen to, 712-14, 797-808

Thompson, Hon. Andrew
CBC interviewing of alleged forger, 193
Criminal Code bill C-2 (Capital Punishment), 1172
Unemployment Insurance bill C-124, 200-1
Governor General warrants, 200

Trade
Canada's development as a manufacturing nation, 595-600, 666-70, 973-4, 1061
Common market vs free trade area, 595-6
Computer competition, 596-7
European Community, 238-40, 630, 632, 633-41, 679-81, 700-2, 846, 867-80, 1012-16, 1017-22, 1055-60, 1077-8, 1087-9
Canadian Ambassador to, 61
Export Development Corporation, structure, policy and operations, 724-35
Free trade agreements of Sweden, Norway and Finland, 596, 599-600
European Coal and Steel Community, 596
Gasoline and fuel oil, export controls, 720
Hungary, 830-3
Mineral exports to Britain and Europe, 46-47
Multinational corporations, 668
Projected decrease, 153
Purchasing power, 668-9
Regional economic problems, 669-70; Atlantic provinces and Quebec, 669
Tariffs in relation to resources and manufactured goods, 46, 596-8
Trading bloc with US, need for consideration of, 598-9

Translations
Interpretation of speech heard at International Confederation of Trade Unions, 112

Transport and Communications, Standing Senate Committee
Meetings during Senate sittings, authority for, 839-40
Members, 116
Radio and television commercial advertising in Canada, authority to make study of, 659-62
Reports
Aircraft Registry bill S-9, rep without amdt, 795-6
Pilotage bill C-127, rep without amdt, 166
Radio and television commercial advertising in Canada, 937-8

Transportation, freight rates and importance of new technology to economics of, 179-84, 230-4, 260-4, 286-90, 291-3, 325-9, 470-5, 477-80, 1150
Air service
Air and hovercraft transport, 327-8
Air Canada, 233
Capital expenditures, 479
Congestion at airports, 183-4, 233, 471
Fares, increase in, 181
Landing privileges, 471
Stopover charge, 181
'Basic Elements of Atlantic Provinces Transportation Policy', 473-4
British and Japanese trains, 183
Canadian National Railways
Bus, ship and express service, 232-3
Defunct railways and debt from, 230
Nova Scotia passenger service, 95
Churchill, 66, 68-69
Coastal trade rights, 474
Costs by water, rail, truck, air, 181, 326
Crown corporations' powers, 292
Crows Nest Pass, 287
Discriminations in east-west freight rates, 260-2
Domestic passenger-miles in Canada, 180
Federal-provincial responsibilities, recommendations submitted by Atlantic delegation, 472-3
MacPherson Royal Commission, 261
Maritime Lumber Bureau letter re freight rates, 472
Maritime Telegraph and Telephone Co. Ltd., excerpt from annual report, 474
Miramichi, 97; ice-bound vessels, 97
Newfoundland and Labrador
Geographic isolationism, 231
High costs and low standards of living due to policies re transportation, tariffs, freight rates, 232-3
Requirements, 233
Seasonal problems of sea transportation, 231
Trade with world markets, restrictions since Union, 231
Newspaper articles re freight rates, 261, 471
Northern Canada, 326-7; White Pass and Yukon Railway, 326
North Sydney-Port aux Basques freight and passenger service, Prince Edward Island-Mainland ferry service, 1212-17, 1387-92, 1394-8
Ontario Northland Railway, 326
Pipeline transportation, 326, 328, 480
Products of Canadian manufacture, absorbing of freight costs, 326
Rapeseed oil or meal, 66, 261
Rapid transit, 184
Survey of Canadian Activity in Transportation R & D, report prepared by Science Council of Canada, 181-2
Western Canada grievances, 230, 260-3
Speakers: Honourable Senators
Argue, Hazen, 260-4
Cameron, Donald, 179-85
Carter, Chesley W., 230-4
Forsey, Eugene A., 484-5
Fournier, Edgar E., 291-3

Transportation, freight rates and importance of new technology to economics of – *Concluded*
Speakers: Honourable Senators – *Concluded*
Haig, J. Campbell, 470-1
Heath, A.E. Haddon, 498-9
Hicks, Henry D., 471-5
Laing, Arthur, 325-9
Manning, Ernest C., 287-90

Transportation, North Sydney-Port aux Basques freight and passenger service, Prince Edward Island-Mainland ferry service, 1212-17, 1387-92, 1394-8
Speakers: Honourable Senators
Bonnell, Lorne, 1387-91
Carter, Chesley W., 1214-17
Duggan, James, 1394-5
Forsey, Eugene A., 1395-6
Petten, William J., 1392
Phillips, Orville H., 1396-8
Rowe, Frederick William, 1212-14

Tributes
Drew, Hon. George Alexander, former Premier of Ontario, the late, 5-6
Frost, Hon. Leslie M., former Premier of Ontario, the late, 567-8
Isnor, Hon. Gordon B., the late, 357-9
Johnson, Lyndon B., former President of the United States, the late, 6
Monture, Dr. Gilbert C., O.B.E., the late, 764
Pearson, Right Hon. Lester Bowles, former Prime Minister of Canada, the late, 2-5, 17, 25, 40-41, 45-46, 61, 82, 86, 91, 125-6, 154-5, 157
Rattenbury, Hon. Nelson, the late, 663-4
St-Laurent, Right Hon. Louis Stephen, former Prime Minister of Canada, the late, 950-3
Truman, Harry S., former President of the United States, the late, 6
See also Felicitations

Trudeau, Right Honourable Pierre Elliott, Prime Minister of Canada
Address at installation of Governor General Jules Leger to office, 1519
Address to President Luis Echeverria of Mexico, 452-4
Address to Prime Minister Indira Gandhi of India, 756
Letters to Prime Minister re Olympic Summer Games (1976), 971-2

Truman, Harry S., former President of the United States, the late, 6

Unemployment
Abuses of unemployment insurance, 70, 72, 98
Efforts of government to alleviate, 64
Illegal entry of immigrants, contributing factor of, 99
Lack of job availability, 94-95
Ontario decrease, 261-2
Seasonal problems, Atlantic fishermen, 203
Statistics (1962-71), 21
Wage and price controls, 89-90; US, 89

Unemployment insurance
Benefits paid (1972), 194
Employer-employee contributions to fund, 194
Governor General's warrants, requirements due to depletion of UI fund, 197-8, 205, 206
Precedents cited, 199-200
Provincial Lieut. Governor General's warrants, 200
Seasonal employment, 203
Sickness or pregnancy benefits, 204
Social welfare vs unemployment insurance, 201, 203-4
Subsidization of fund from various sources, 201-2
Unemployment level, 202
Speakers: Honourable Senators
Beaubien, L.P., 187-8
Buckwold, Sidney L., 193-6, 216
Croll, David A., 202, 204
Flynn, Jacques, 186, 187, 189, 193, 195, 196-9, 200, 214-6
Forsey, Eugene A., 199-200
Grosart, Allister, 205-7
Manning, Ernest C., 201-2
Martin, Paul, 186, 187
McIlraith, George, 188, 196
Molson, Hartland de M., 187, 203-4
Phillips, Orville H., 188-9, 207-10
Prowse, J. Harper, 189
Rowe, Frederick William, 203
Thompson, Andrew E., 200-1

Unemployment Insurance bill C-124. 1r, 186-9, 2r, 193-210; ref to com, 210; rep of com, 214; 3r, 214-16; r.a., 224

United Kingdom
House of Lords Opposition Leader, Lord Shackleton, visitor to Senate, 1034

United Nations
Malawi Conference, 50-52
One-party system of government, 51-52
Policy re underdeveloped countries, 50-51
South Africa, racism by whites and blacks, 50-51
Middle East, participation of Canadians in Peacekeeping Force, 344-5, 1081, 1155-66, 1300

United States
Interparliamentary Group, Canada-United States, 15th annual meeting, 519-22, 527-9, 575-80, 586-93, 646-50, 657-9
Interparliamentary Group, Canada-United States, meeting re oil transportation on West Coast, 911, 922-3, 942-8, 949
Johnson, Lyndon B., former President of the United States, the late, 101
Oil shipments, navigational and pollution hazards, 1143-4
Truman, Harry S., former President of the United States, the late, 6

Urban affairs
Federal-Provincial-Municipal Conference, 106-7
Agenda, 107
Agreements reached, 107
Housing and urban development, 69, 72; older neighbourhoods, 72-73

van Roggen, Hon. George Clifford
Canada Pension Plan (No. 2), bill C-224, 1311-13
Communiqué from provincial conference, 1311
Earnings limitation, 1312
Inflationary increases, 1312
Retroactive aspects, 1312
Constitution of Canada, federal disallowance of provincial statutes, 781-7
Export Development bill C-3, 562-3
Borrowing powers and authorized capital, 562-3
Foreign investment insurance, 562
International banking, 562
Farm Improvement Loans bill S-5, removal from Commons Order Paper, 719
Foreign Investment Review bill C-132, 1347
Oil Export Tax bill C-245, 1448-50
Arctic and North Sea drilling costs, 1450
Prices, fluctuation and dangerous effects of, 1449-50
Tar sands oil, 1450
Protection of Privacy bill C-176, 1484-5
Trade, Canada's development as a manufacturing nation, 595-600
Common market vs free trade area, 595-6
Computer competition, 596-7
Free trade agreements of Sweden, Norway and Finland, 596, 599-600
European Coal and Steel Community, 596
Tariffs in relation to resources and manufactured goods, 596-8
Trading bloc with US, need for consideration of, 598-9
Western Canada, newspaper report re, question of privilege, 186

Vietnam
Appeal for peace, statement by four Canadian parliamentarians, 54-55
Appearance of Secretary of State for External Affairs before Foreign Affairs Committee, question, 504-5, 542
Canada's role in International Commission of Control and Supervision, 118-20, 217-24, 226-8, 350-1, 504-5, 542, 611, 665-6, 671-2, 829-30
Disappearance of two Canadian officers attached to ICCS, 827
Notes for statement in Commons by Secretary of State for External Affairs, 671-2
Peace negotiations, disclosure in Pentagon Papers of role of Hon. Paul Martin during 1964-66, 840
Visit of Canadian Parliamentary Mission, 350-1, 418-22, 429-39, 602-6, 643-6, 829
Speakers: Honourable Senators
Asselin, Martial, 504-5
Cameron, Donald, 418-22, 429-39
Carter, Chesley W., 54-55, 602-6
Connolly, John J., 221, 222
Flynn, Jacques, 351
Forsey, Eugene A., 223-4
Grosart, Allister, 611
Langlois, Leopold, 350-1
Lapointe, Renaude, 643-6
Martin, Paul, 118-20, 217-23, 505, 665, 666, 671-2, 829-30
O'Leary, Grattan M., 226-8

Visitors
Alberta, Legislature Representatives, 683-4
Australia, Parliamentarian Mr. Paul Keating, 225
Barbados, President of Senate Sir Theodore Brancker and Lady Brancker, 973
British Columbia, Nisgha Tribunal Delegation, 159
British House of Lords Opposition Leader, Lord Shackleton, 1034
Greenpeace III crew members, Ann-Marie Horne and David McTaggart, 1027
Hungary, Secretary of State for Foreign Affairs Mr. Andrew Ilyes, 568
India, Prime Minister Madam Indira Gandhi, 736, 750, 756-9
Mexico, President Mr. Luis Echeverria, 440, 452-60
Newfoundland, Premier Moores and Lieutenant-Governor Harum, speeches at dedication of Newfoundland Book of Remembrance, 1064, 1066
Presidium and Executive of Secretariat of World Congress of Free Ukrainians, 1067-8
Provincial and Territorial Representatives, 1115-16

Vote
Criminal Code bill C-2 (Capital Punishment), 1175
Protection of Privacy bill C-176, 1445, 1499-1500, 1509-10

Walker, Hon. David, P.C.
European Community
Brussels meeting, 638
Canadian relations with, 238, 240
Excise Tax and Excise bill C-194, 897
Interparliamentary Group, Canada-United States, 15th annual meeting, 592-3
National Housing bill C-133, 742-3
Home ownership program, 742
New communities, 743
Non-profit organizations, 742-3
Tax on materials, 742
Railways, failure of employees to return to work after passage of Bill C-217, 993-4, 995
Science Policy Committee report Vol. 3, release to press before presentation in Senate, 1008
Senate business, 990-1
Vietnam peace negotiations, disclosure in Pentagon Papers of role of Hon. Paul Martin during 1964-66, 840

War veterans allowance
Basic allowance for single and married veterans and orphans, 408-9
Income and casual earnings, 428, 429
Means test, 427
Personal property limitation, 409, 410
Re-establishment credits, 426
Veterans allowances and old age security, confusion in administration of, 426
Veterans allowances vs welfare benefits, 427-8
Speakers: Honourable Senators
Carter, Chesley W., 427-8
Laing, Arthur, 428
Lang, Daniel A., 408-9, 428-9
Phillips, Orville H., 410, 425-7

War Veterans Allowance bill C-148. 1r, 395; 2r, 408-10, 425-9; ref to com, 429, rep without amdt, 463; 3r, 477; r.a., 480

Weapons and firearms, see Criminal Code bill S-2 (Control of Weapons and Firearms)

Welch, Hon. Frank C.
Farm Improvement Loans bill S-5, 628-9
Interest rate, 628-9
National Parks bill S-4, 572-5
Eastern shore park of NS, 573-4
"How Many is Enough", editorial in The Advertiser of Kentville, 573
Nova Scotia and other Maritime provinces, 573-5
Ontario and Quebec, refusal of national parks program, 573, 574

Western Canada
Dependence on foreign capital for industrial and resource developments, 1020
Mining, 146-8; British Columbia, 146-7
Mining machinery purchased in foreign markets, 146-7
Newspaper report, question of privilege, 186
Oil reserves, 148, 149
Western Economic Opportunities Conference, 881, 890

Whips
Chief Government Whip in the Senate, Hon. Sidney L. Buckwold
Chief Opposition Whip in the Senate, Hon. John M. Macdonald

White, Hon. George S., P.C. (Retired Nov. 17/72)

Wildlife, see Canada Wildlife bill C-131

Williams, Hon. Guy
Criminal Code bill C-2 (Capital Punishment), 1149-50
Deterrent aspect, 1150
Indian victims of murderers, 1149-50
Social problems leading to criminal life, 1150
Nichol, Hon. John, felicitations on appt. to chairmanship of Board of Governors, Pearson College of the Pacific, 495

Wire tapping, see Protection of Privacy bill C-176

Women in public life
Albertans appeal to Supreme Court that 'persons' include women, 38-39
Discriminations, 43-44; Inter-Parliamentary Conference in Rome, Italy, 44
Role in the Senate, 38-39
Speaker of the Senate, Hon. Muriel McQueen Fergusson, Commission of appointment, 1
Felicitations on appointment to office, 16-17, 24, 29, 34, 38, 40, 45, 47, 56, 63, 69, 76, 82, 86, 93-94, 96, 107, 111, 125, 146, 150, 154, 157

Youth allowances, see Family Allowance and Youth Allowances bill C-223

Yukon Territory
Senate representation, see British North America Acts 1867 to 1965 bill S-3

Yuzyk, Hon. Paul
Canada Wildlife bill C-131, 940-1
Crop Insurance bill C-129, 1051-2
Administrative difficulties, 1051
Statistics on participants, 1051
Felicitations on publication of book 'For A Better Canada', 1301-2
Immigration Appeal Board bill C-197, 890-3
Adjustment of status, 892
Backlog of appeals, 891
'Canada and Immigration: Public Policy and Public Concern', 892
Cultural and economic contributions of immigrants, 892-3
Landed immigrants, 891
Press releases re visitors, 891
North Atlantic Assembly, 18th annual session, 448-51, 461, 462
Defence expenditures of NATO countries (1949-72), 462
European force improvements (1973), 461
Excerpts from speeches by K.-U. von Hassell, Chancellor Willy Brandt, Sect. Gen. Luns and John Peel, 449-50
Excerpts from text of Political Committee and of Education, Cultural Affairs and Information Committee, 450
Recommendations of Military Committee, 450
Presidium and Executive members of Secretariat of World Congress of Free Ukrainians, 1067-8