

## SECOND DISTINCT SITTING

2.30 p.m.

The Honourable Renaude Lapointe, Speaker.

The Members convened were:—

## The Honourable Senators

Aird,	Cook,	Fournier	Laing,	Molson,
Barrow,	Côté,	( <i>Restigouche-</i>	Laird,	Neiman,
Basha,	Cottreau,	<i>Gloucester</i> ),	Lamontagne,	Norrie,
Beaubien,	Croll,	Giguère,	Lang,	O'Leary,
Bélisle,	Davey,	Godfrey,	Langlois,	Paterson,
Benidickson,	Denis,	Goldenberg,	Lapointe,	Perrault,
Blois,	Deschatelets,	Graham,	Lefrançois,	Petten,
Bonnell,	Desruisseaux,	Greene,	Macdonald,	Rowe,
Boucher,	Duggan,	Grosart,	Macnaughton,	Smith,
Bourget,	Everett,	Haig,	Manning,	Sparrow,
Buckwold,	Fergusson,	Hastings,	McDonald,	Stanbury,
Burchill,	Forsey,	Hayden,	McElman,	Thompson,
Cameron,	Fournier	Heath,	McGrand,	van Roggen,
Carter,	( <i>de Lanaudière</i> ),	Hicks,	McIlraith,	Welch,
Choquette,	Fournier	Inman,	McNamara,	Williams,
Connolly	( <i>Madawaska-</i>	Lafond,	Michaud,	Yuzyk.
( <i>Ottawa West</i> ),	<i>Restigouche</i> ),			

The Honourable the Speaker having put the question whether the Senate do now adjourn during pleasure to await the arrival of His Excellency the Administrator of the Government of Canada, it was—

Resolved in the affirmative.

After awhile, His Excellency the Administrator of the Government of Canada having come and being seated upon the Throne—

The Honourable 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 pleasure of His Excellency the Administrator of the Government of Canada that they attend him immediately in the Senate Chamber.”

The House of Commons being come,

Their Speaker, the Honourable James A. Jerome, said:—

“May it please Your Excellency,—

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

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

The Honourable the Speaker of the Senate answered:—

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

His Excellency the Administrator of the Government of Canada was then pleased to open the Session by a Gracious Speech to both Houses, as follows:—

*Honourable Members of the Senate:*

*Members of the House of Commons:*

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

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

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

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

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

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

- initiatives to provide for adequate safeguards so that spreading nuclear technology and materials are not perverted for military purposes;
- initiatives to increase world food aid so that the disastrous shortages some countries are experiencing may be alleviated.

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

- to increase the supply of goods and services;
- to protect those least able to protect themselves; as well as
- to soften the impact of soaring oil prices on Canadian consumers and to cushion the economy against disruptive increases in other commodities.

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

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

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

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

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

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

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

- To increase food production—
    - incentives to farmers and fishermen including the stabilization of incomes and markets,
    - continued international action to ensure that Canada has the right to manage its coastal resources and environment, including the conservation of fish stocks;
  - To increase construction of homes—
    - financial assistance in order to reduce the cost of serviced land and to encourage land assembly;
  - To increase economic productivity—
    - greater financial and other support for small business,
    - continued reorientation of manpower activities so that Canadians are trained and available in the right locations to fill the increased number of job opportunities,
    - amendments to the Unemployment Insurance Act,
    - extension of the Regional Development Incentives Act;
  - To increase the supply of energy—
    - the establishment of Petro-Canada, the national petroleum corporation,
    - guarantees for domestic control of uranium and for adequate future supplies related to Canadian needs,
    - steps to ensure that the price of Canadian oil and gas is regulated in a manner which will encourage necessary exploration and development in Canada;
  - To ensure continued export of Canadian grain—
    - legislation to ensure the resumed movement of Western grain, if the current dispute has not already been resolved,
    - steps to facilitate grain handling this winter.
- In order to help protect those particularly hard hit by inflation, which is another objective in the battle against inflation, the following measures will be taken or proposed:
- To monitor food prices—
    - renew the mandate of the Food Prices Review Board until the end of 1975 so that it may continue to report regularly on trends in food prices and analyze the reasons for price changes in specific areas;
  - To help home buyers—
    - additional assistance to buyers of moderately priced housing who have not owned a home before,
    - ask financial institutions to continue to direct all low down payment high ratio mortgages exclusively to moderately priced housing,
    - a Registered Home Owners Savings Plan,
    - a system of warranties which will protect new buyers of National Housing Act financed homes,
    - better disclosure provisions for the true interest rates of mortgages;
  - To protect the consumer—
    - first stage amendment of the Combines Investigation Act, including measures dealing with unfair or uncompetitive business practices such as misleading advertising and pyramid, referral or bait-and-switch selling,
    - a comprehensive overhaul of consumer credit legislation, including disclosure by all lending institutions of effective rates of interest on all loans,
    - a total revision of our bankruptcy law, including special procedures to help the consumer debtor,
    - improved safety of consumer electrical products,
    - establishment of more consumer storefront offices;
  - To assist those having difficulty finding employment, and in cooperation with the provinces—
    - a community employment strategy for people who experience chronic and particular difficulty in finding and keeping regular employment,

- special efforts on behalf of individuals and specific groups who are ready and willing to work but tend to experience particular difficulty in finding regular employment;
- To help older citizens, the needy and war veterans—
  - provide for regular increases in the Year's Maximum Pensionable Earnings in 1976 and subsequent years, revise the Year's Basic Exemption, and eliminate the earnings test on retirement pensions for people aged 65 to 70,
  - provide for the payment of allowances to the spouses aged 60 to 65 of Old Age Security recipients effective October 1975 and eliminate certain hardships involving Canadians absent from Canada for limited periods of time,
  - achieve equity as between provinces in the application of the Canada Assistance Plan in respect of the treatment of youthful offenders in other than welfare institutions, and in respect of the care given needy persons in nursing-homes in provinces that have introduced universal nursing-home care programs, and
  - further increases in war veterans allowances.

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

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

You will be asked to approve the imposition of an export charge on crude oil and certain other petroleum products to provide compensation for Canadians who consume imported oil and to regulate the price of Canadian hydrocarbons in interprovincial trade, so that all Canadians pay the same basic price, plus appropriate transportation charges, no matter where they may live.

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

The Government has therefore initiated a series of consultations with the principal groups in our society—business, professions, farmers, labour and provincial governments. They will be asked what proposals they can suggest and what contribution they are willing to make to defeat inflation. They will be asked how productivity can

be increased. They will be asked if improvements can be made to the basically adversarial nature of the collective bargaining system, leading toward a joint search for solutions to mutual problems. Representatives of the private pension industry will be asked to explore jointly with Government ways of protecting pensioners against inflation. The Government will ensure that these consultations deal with the problems of those lacking organized power in the economy and retired people, for in many cases they are the ones most adversely affected by inflation.

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

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

- propose a number of conferences with the provinces during the coming year, including one at the First Ministers level early in 1975; and
- take new measures within the federal administrative structure to improve the coordination of federal policies and programs that are of interest to the provinces and to make consultation with them even more effective.

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

The Government believes transportation rates should continue to be based on the principle of competition among alternative modes of transportation in areas where

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

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

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

- a program in cooperation with the railways which will lead to the eventual creation of new Government machinery to ensure the effective management of all ground transport;
- immediate implementation of experimental programs designed to upgrade progressively a number of inter-city passenger train services;
- ensuring an adequate supply of rail cars for the future and to resolve rail access problems to all major ports and distribution centres;
- improved transportation to and from remote areas, including further assistance to airports in small municipalities, and a new program to fund airports located in developing areas of the country;
- legislation to provide for the most efficient port system for Canada compatible with local, regional and national interests;
- steps leading to the creation of Canadian-owned ice-breaking cargo vessels for use in the North;
- establishment of an Independent Accident Investigation Board;

- new laws concerning shipping and the coasting trade in Canada;
- ensuring rail costing data will be made available to provincial governments pending consideration of a more comprehensive transportation information act;
- additional steps to strengthen the effectiveness of urban transportation systems and improvement of commuter services compatible with regional and provincial plans for urban development.

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

- revise the law governing corporations including the introduction of a provision whereby a majority of directors of federally incorporated companies must be Canadian;
- provide for Government intervention in cases where a Canadian company may be prevented from fulfilling export orders by its foreign ownership;
- enhance Canadian processing of the country's natural resources which are exported, involving consultations with the provinces and negotiations with other countries;
- ensure Canadian technological innovation is encouraged and available for the benefit of Canadian industry;
- ensure ownership of fishing vessel licenses is retained by Canadians;
- produce a new Citizenship Act;
- confirm O Canada! as our national anthem;
- restructure federally supported granting councils which provide money for university research in the humanities and social sciences as well as the natural sciences;
- establish an integrated regulatory body for telecommunications;
- establish a Joint Committee of the House and Senate to consider questions relating to the future of the National Capital Region;
- preserve the national heritage by providing incentives for the purchase by Canadian institutions of works of art which might otherwise be exported; and
- bring assistance to Canadian cultural enterprises by extending the provisions of the Foreign Investment Review Act; by promoting the sale of Canadian books and magazines; and by opening discussions with provincial governments about ways to increase the exposure of Canadian films in commercial theatres in Canada.

The health of Canadians will be a priority for the Government, with emphasis being placed on the preven-

tion of illness, which includes raising the level of physical fitness of Canadians. A series of major athletic events including the Canada Winter Games in 1975, the Olympic Games in 1976, the Canada Summer Games in 1977 and the Commonwealth Games in 1978, should stimulate all Canadians, and particularly youth, to higher levels of participation and achievement in this area.

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

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

- greater protection from contaminating substances in the interests of human health and ecological stability; and
- curtailment of ocean dumping through international agreement.

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

Other measures related to equality before the law include:

- human rights legislation;
- substantial amendments to the Criminal Code;
- legislation to provide for royalty rates for oil and gas on Indian reserves comparable to those charged by oil-producing provinces;
- amendments so that the Supreme Court can deal more expeditiously with cases which come before it and to remove the right of appeal based solely on financial considerations.

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

The volume of public business before Parliament increases with each passing year and this Session will not be an exception. The view is widely shared within and without Parliament that the rules and procedures of the House of Commons should be adapted to enable Mem-

bers on all sides—supporting and opposing the Government—to discharge their growing responsibilities more effectively. The Government will seek, as a matter of urgency, support on a non-partisan basis for the necessary reforms of Parliamentary rules and for measures to be laid before you dealing with:

- redistribution of seats in the House of Commons;
- broadcasting the proceedings of the House; and
- possible conflicts of interest of Members of the House of Commons and the Senate.

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

You will be asked to consider other legislative proposals.

*Members of the House of Commons,*

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

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

*Honourable Members of the Senate,*

*Members of the House of Commons,*

May Divine Providence guide you in your deliberations.

The Commons withdrew.

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

The sitting of the Senate was resumed.

The Honourable Senator Langlois presented to the Senate a Bill S-1, intituled: "An Act relating to Railways".

The Bill was read the first time.

The Honourable the Speaker informed the Senate that a copy of the Speech of His Excellency the Administrator of the Government of Canada had been left in her hands.

The Speech was read by the Honourable the Speaker.