

## SECOND DISTINCT SITTING

2:45 p.m.

The Honourable GEORGE S. WHITE, Speaker.

The Members convened were:—

## The Honourable Senators

Aseltine,	Emerson,	Lambert,	Quart,
Baird,	Farris,	Lefrancois,	Raymond,
Basha,	Fergusson,	Leonard,	Roebuck,
Beaubien	Fournier,	Macdonald	Smith
( <i>Bedford</i> ),	( <i>Madawaska-</i>	( <i>Brantford</i> ),	( <i>Kamloops</i> ),
Bishop,	<i>Restigouche</i> ),	Macdonald	Smith ( <i>Queens-</i>
Boucher,	Gladstone,	( <i>Cape Breton</i> ),	<i>Shelburne</i> ),
Bouffard,	Gouin,	McCutcheon,	Sullivan,
Bradley,	Grant,	McGrand,	Taylor ( <i>Norfolk</i> ),
Brooks,	Grosart,	McKeen,	Taylor
Buchanan,	Haig,	McLean,	( <i>Westmorland</i> ),
Burchill,	Hayden,	Methot,	Thorvaldson,
Cameron,	Higgins,	Molson,	Tremblay,
Campbell,	Hnatyshyn,	Monette,	Turgeon,
Choquette,	Hollett,	O'Leary,	Vaillancourt,
Comeau,	Horner,	( <i>Carleton</i> ),	Veniot,
Connolly	Howard,	O'Leary,	Vien,
( <i>Ottawa West</i> ),	Hugessen,	( <i>Antigonish-</i>	Welch,
Croll,	Inman,	<i>Guysborough</i> ),	White,
Dessureault,	Irvine,	Paterson,	Willis,
Drouin,	Jodoin,	Pearson,	Wood,
Dupuis,	Kinley,	Power,	Woodrow.

The Honourable the Speaker having put the question whether the Senate do now adjourn during pleasure, it was—

Resolved in the affirmative.

After awhile, His Excellency the Governor General 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 Governor General that they attend him immediately in the Senate Chamber.”

The House of Commons being come,

Their Speaker, the Honourable Marcel Joseph Lambert 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 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, she 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 Governor General 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 welcome you to this first session of the twenty-fifth Parliament of Canada.

I know I speak for all Canadians when I say how pleased we were to have Her Majesty Queen Elizabeth The Queen Mother with us again. Her warmth and charm have added to the loyalty and affection for the Crown and our Queen.

This Spring His Royal Highness The Duke of Edinburgh spent several weeks here in connection with his Second Study Conference on the Human Consequences of the Changing Industrial Environment in the Commonwealth and Empire. Her Royal Highness The Princess Royal, during her stay in Canada last June, carried out her programme of engagements with simplicity and grace.

Canada has been honoured in the last few days by a visit from the President of Pakistan, His Excellency Ayub Khan, who accompanied my Prime Minister on his return from the Commonwealth Conference. We were happy to greet this distinguished leader of a great Commonwealth nation and to discuss with him matters of mutual interest.

Since we last met in this Chamber my wife and I have visited many parts of Canada and have received at Government House a great number of societies and organizations, including representatives of student groups and youth movements. We have been deeply impressed with the expressions of loyalty to the Crown by people in all walks of life.

The meeting of Commonwealth Prime Ministers just concluded has again provided an opportunity for frank discussions at the highest level and a demonstration of the close relationship which distinguishes this unique association of free nations. Canada joined in welcoming four new self-governing members of the Commonwealth—Sierra Leone, Tanganyika, Jamaica, and Trinidad and Tobago.

The Commonwealth Conference discussed Britain's negotiations with the European Economic Community and the economic and political implications for the Commonwealth and its members of possible British accession to the Community. Canada has a vital concern in these issues and the government will spare no effort to safeguard the interests of Canada while preserving the unity and strength of the Commonwealth as a whole.

Far-reaching changes are taking place in the trading relationships between nations and groups of nations. New opportunities are opening up for fruitful negotiations to reduce the barriers to trade on a general, non-discriminatory basis. My Government believes and has proposed that these important subjects should receive comprehensive consideration at a conference of representatives of like minded nations.

Canada has continued to play an increasingly effective role in international affairs. The division of Germany and the position of Berlin remain a source of friction despite continuing efforts to find a basis for a negotiated settlement. So long as the Communist powers continue actions that bring tension and distrust, Canada's defensive capability must be maintained both at home and on the frontiers of the North Atlantic Treaty Organization in Europe and in the Atlantic.

The threat of war can be eliminated only by reaching effective international agreement on disarmament verified by means that inspire confidence. Canada will persist in its efforts to achieve this end.

Canadians have noted with satisfaction the establishment by the United Nations and the Food and Agriculture Organization, of a World Food Programme based on a proposal put forward by my Ministers. You will be asked to authorize a Canadian contribution to this programme.

My Government will ask you, as a significant step in rounding out the concept of Confederation, to consider a resolution to provide for the "repatriation" of the Constitution of Canada and to invite the concurrence of the provinces to this end.

As another means of making manifest the Canadian identity, my Government will invite the Provinces to a conference for consultation regarding the choice of a national flag and other national symbols.

Measures will be placed before you to provide for the division of the Northwest Territories into two territories, and to provide more self-government for the residents of that area as a step toward the ultimate creation of new Provinces in Canada's great North.

You will be requested to enact measures to give effect, with modifications, to certain of the recommendations of the Royal Commission on Publications.

---

Legislation respecting the Senate will be introduced.

To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

A measure will be placed before you to establish an Indian Claims Commission to investigate claims on the part of various tribes and bands that certain of their rights have been restricted or abrogated, and to make recommendations for the equitable and final settlement of such claims.

Economic activity in Canada has moved ahead sharply. This strong advance has resulted in more than 200,000 new jobs during the past twelve months. The objective of my Government is to accelerate this pace of advance. This would mean the creation over the next five years of more than 1 million new jobs and a corresponding growth in gross national product and in production for both the export and domestic market, already at record levels.

Such high levels of activity have not prevented the emergence of foreign exchange difficulties similar to those which confronted Canada in crisis proportions in 1947, and to those which have affected other major trading nations more recently. In June my Government found it necessary to put into immediate effect a comprehensive programme to strengthen the country's exchange reserves. Since that time Canada's exchange reserves have increased substantially. It is my Government's firm intention to remove the import surcharges included in this programme as soon as circumstances permit.

My Government will continue to take positive, constructive measures to strengthen Canada's balance of international payments. The recently stabilized exchange rate for the Canadian dollar has greatly helped Canadian producers in all parts of Canada both in the domestic and export markets. The new exchange rate is contributing as well to a large expansion in the Canadian tourist industry, which has also been aided by joint efforts of the Federal and Provincial Governments.

Canada's development will continue to require imports of capital, and to this end my Government will maintain a climate in Canada hospitable to foreign investment.

As one of my Government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a National Economic Development Board. This Board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the Government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

The objective of my Ministers is a balanced budget. This will require the exercise of restraint in respect of controllable spending and an increased concentration of available resources on essential national projects designed to ensure the expansion of the Canadian economy. Steps will be taken to improve further the efficiency of government operations. The report of the Royal Commission on Government Organization will be helpful in achieving this improve-

ment of administration while maintaining the high status of the Canadian public service. A programme of economies in government expenditures will be reflected in the revised Estimates to be placed before you.

A Royal Commission has been established to review the whole field of federal taxation and its impact on the Canadian economy, and to recommend reforms and improvements.

The purposes of the fiscal measures to be placed before you at this Session will be the creation of better employment opportunities for the Canadian people, the promotion of a high rate of economic growth, the strengthening of Canada's balance of international payments and the maintenance of stability in prices. New budget measures will be introduced to provide further solutions to long-term problems.

My Ministers will re-introduce the resolutions submitted in the last Budget which had as its central purpose the encouragement of economic growth. This will include the production incentive provided to manufacturing and processing companies by cancelling one-half of the tax on the first \$50,000 of taxable income arising from increased sales and one-quarter of the increased tax on any additional income arising from increased sales. It will also include the measure to grant to individuals and companies the right to charge petroleum drilling and exploration expenses against income from oil and gas production, and to permit certain expenditures made to acquire oil and gas rights to be deductible for tax purposes. The measure to allow a special tax credit in respect of provincial logging taxes will also be re-introduced in order to remove discrimination in the taxation of logging operations. Iron mining companies will be added to the list of companies which are exempt from the special tax on income earned in Canada by branches of non-resident corporations. The measure will also be re-introduced to increase by \$50 per year the income tax deductions allowed for children.

My Government intends to press forward in co-operation with Canadian industry to secure a greater and more rapid application of science to industrial production. You will be asked to approve the new tax incentive announced in the last Budget for corporations undertaking increased expenditures on scientific research in Canada. Dramatic evidence of successful co-operation between Canadian science and industry has been given this week in the opening of Canada's first nuclear power generating station.

Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The Government's industrial programmes are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada. The vigorous campaign of export trade promotion will be expanded to enlarge the sales of Canadian products in foreign markets. You will be asked to provide the funds necessary for this increasing trade promotion work. Amendments to the Export Credits Insurance Act will also be placed before you, to double the insurance liability which the Corporation may assume and to improve the arrangements for long-term financing.

---

You will be asked to authorize the establishment of an Atlantic Development Board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

Amendments will be requested in the Industrial Development Bank Act to enlarge still further this Bank's important role in national development.

The prosperity of agriculture remains essential to the well-being of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been greatly enlarged.

My Ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a programme be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and Eastern Canada where supplies of feed grain are normally deficient.

The programme of rehabilitation and development of agricultural lands is proceeding actively and you will be asked to provide funds for it.

Legislation will be proposed to enlarge the funds of the Farm Credit Corporation, and allow greater flexibility in their use.

The need for training in agriculture and the present facilities have also been under review and as a sequel to these studies, a national conference on agricultural training is to be convened this fall.

The development and use of Canada's resources of energy must be a central feature of the programme for national economic growth. The twenty-fourth Parliament has laid the groundwork for this in the National Energy Board Act and in other measures.

It is hoped that arrangements will soon be completed that will make it possible to submit for your approval the Columbia River Treaty and the legislation required in Parliament to implement it.

The national oil policy introduced by the Government two years ago has brought about a gratifying increase in the production and sale of Canadian oil.

Studies will be continued, in co-operation with the provinces, in relation to the long distance high voltage transmission of electrical power and the development of potential sources of hydro-electric power with a view to the ultimate establishment of a national power grid, which will facilitate the orderly utilization of the hydro-electric potential of Canada in the interests of expanding Canadian development and progress. Discussions are in progress with the Government of Manitoba in respect to studies of the Nelson River system.

My Ministers have come to the conclusion that large scale, long-term contracts for the export of power surplus to Canada's needs, present and potential, should now be encouraged in order to expedite the development of major power projects in Canada which are too large to be supported by the domestic market. Such exports can also strengthen our balance of payments.

In recognition of the important role of transportation in the Canadian economy, you will be asked to approve measures to give effect to recommenda-

tions of the Royal Commission on Transportation which has now completed its comprehensive analysis of the Canadian railway problem. These changes are intended to remove the need for general horizontal freight rate increases which have borne so heavily in the past upon certain areas and groups of producers. You will also be asked to provide for an extension of the Freight Rates Reduction Act and the other interim railway subsidies provided by appropriation.

Amendments will be proposed to the Canada Shipping Act to preserve for Canadian vessels the coasting trade in the St. Lawrence and Great Lakes area. Funds will be requested to implement the programme of shipbuilding subsidies announced some months ago.

You will be asked to provide for the continuation of the Winter Works Programme to assist municipalities in meeting seasonal unemployment.

Far-reaching changes are taking place in manpower requirements in Canadian industries as a result of automation, other technological developments and world competitive pressures. A measure will be placed before you designed to assist employers, workers and their organizations in meeting the impact of industrial change.

My Government will also place before you legislation to provide safeguards against accidents and hazards in works and undertakings within the Federal fields of jurisdiction.

The Committee inquiring into matters relating to the Unemployment Insurance Fund is expected to submit its report this autumn. Following consideration of this report, appropriate measures will be placed before you.

In order to permit the introduction of a national system of contributory old age pensions with disability and survivor benefits, an amendment to the British North America Act is required. The governments of all provinces except Quebec and Newfoundland have concurred in such an amendment. My Government is prepared to recommend to you the approval of an Address to Her Majesty requesting the amendment when the concurrence of these remaining provinces has been received.

As pension plans have become ever more widely extended in Canadian business, it has been increasingly recognized that measures are essential to protect the interests of those affected and in particular to ensure that the benefits earned are portable when workers move from job to job. Provincial legislation would be required for this purpose in most cases, and several provinces are considering proposals of this nature. My Government will be prepared to place before you complementary legislation to deal with industries under Federal jurisdiction when adequate progress has been made by provinces.

A measure will be placed before you to authorize the establishment of a national council of welfare to make more fully effective the action of both Federal and Provincial Governments in this field.

You will be asked to approve amendments to the Food and Drugs Act to provide for more effective control of the distribution and sale of drugs in the interests of the public health.

You will be asked to enact legislation to provide for the establishment of a National Medical Research Council.

---

Legislation will be re-introduced to authorize the payment by Federal Crown Corporations of certain Provincial commodity taxes and fees.

Legislation will be proposed on university grants which will include authorization of payment of the higher grants announced some months ago and will provide alternative arrangements where supplementary provincial grants are made in lieu of Federal grants.

A Bill will be introduced to authorize a revision and codification of all Federal Statutes.

Bills will be introduced to amend the Judges Act, the Aeronautics Act, the Bankruptcy Act, the Coal Production Assistance Act and the Currency, Mint and Exchange Fund Act, and other statutes.

*Members of the House of Commons,*

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

You will be asked to abolish closure and to re-establish the special committee on procedure of the House.

*Honourable Members of the Senate,*

*Members of the Commons,*

I pray that God in His wisdom may enlighten you in the discharge of your duty towards our country.

The Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Honourable Senator Choquette 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 Governor General had been left in his hands.

The Speech was read by the Honourable the Speaker.