

PRAYERS.

The Honourable the Speaker informed the Senate that a communication had been received from the Secretary to the Governor General.

The communication was then read by the Honourable the Speaker, as follows:—

GOVERNMENT HOUSE
OTTAWA

27th FEBRUARY, 1974

Madam,

I have the honour to inform you that His Excellency the Governor General will arrive at the Main Entrance of the Parliament Buildings at 10:40 a.m. on this day, Wednesday, the 27th of February 1974, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Second Session of the Twenty-ninth Parliament of Canada.

I have the honour to be,
Madam,
Your obedient servant,

ESMOND BUTLER
Secretary to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

Ordered, That the communication do lie on the Table.

The Honourable the Speaker having put the question whether the Senate do now adjourn during pleasure to await the arrival of His Excellency the Governor General, 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,

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

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

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

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

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

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

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

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

world, must also take increasingly vigorous steps to reduce disparities between themselves and the less developed and less fortunate nations.

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

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

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

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

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

In the case of oil, the Government has been concerned about the individual hardships caused by the rise in prices and about the overall effect of the increase on the economy. Nonetheless, for Canada to become self-reliant and be protected against abrupt changes in supply, prices must be such as to encourage the exploration and development of non-conventional and frontier oil resources. The Government must ensure that a sufficient part of the funds generated by higher prices will be used for such exploration and development. It will introduce legislation to create a national petroleum company which will assure greater Canadian presence and par-

ticipation in these and other activities. It has announced the extension of the pipeline from the Western oil fields to Eastern Canada and the establishment of a single Canadian market which will guarantee an outlet for domestically-produced oil.

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

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

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

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

—reasonable food prices:

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

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

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

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

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

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

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

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

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

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

- improving the availability of manpower for food production;

- assistance in the construction of new storage facilities;

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

- improvements in harbour facilities for fishing fleets;

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

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

- an agricultural stabilization plan to encourage rational production decisions;

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

- better veterinary training facilities;

- a prairie grain market insurance plan;

- improvements in Canadian grain rail transportation capabilities;

- increased availability of reasonably priced feed grains;

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

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

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

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

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

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

Other measures will be taken to increase production and employment through providing workers with im-

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

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

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

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

The federal and provincial governments have agreed that the Canada and Quebec Pension Plans should be further amended to provide for increases, beyond 1975, in the levels of income upon which contributions may be made, and in the pensions which will be paid. Legislation will be introduced to remove the earnings test now

required for people aged 65 to 69 from the Canada Pension Plan. Finally, federal and provincial ministers have agreed that the provisions which now accord differential treatment to men and women under the Canada and Quebec Pension Plans should be removed.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget in this Session.

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

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

The Commons withdrew.

His Excellency the Governor General 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 Governor General had been left in her hands.

The Speech was read by the Honourable the Speaker.

The Honourable Senator Langlois moved, seconded by the Honourable Senator Flynn, P.C.:

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

The question being put on the motion, it was—
Resolved in the affirmative.