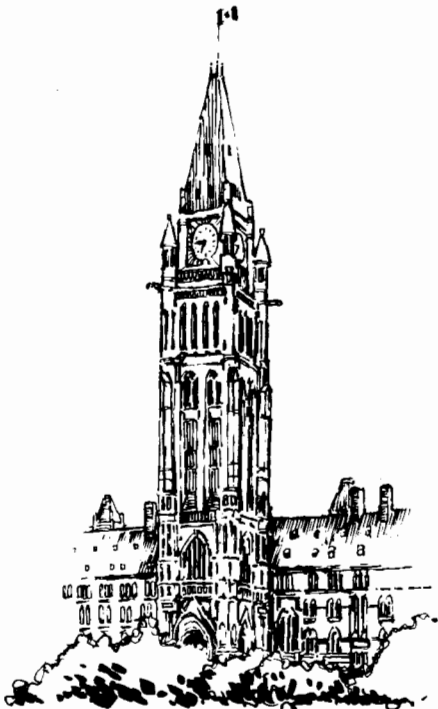


Reports on Legislative Activities



House of Commons

On October 27, the first day of sitting following the summer recess, the House heard an economic statement from the recently appointed Minister of Finance, **Marc Lalonde**. The Minister began by enumerating the principles and factors which he will consider when assessing measures to improve the country's economic health. These were fiscal responsibility, concern for the victims of the recession, the dynamic capacity of the private sector, the importance of economic arrangements and broad-based consultation and finally, the spirit of momentum generated by the six and five policy. As one method of establishing an effective mechanism of consultations, the minister announced the creation of a panel of economic advisers.

The minister spoke next about the present and projected outlook of the economy. He admitted that the recession has been deeper and longer lasting than the government had anticipated when the June budget was presented — a situation borne out by recent statistics. Nevertheless, he claimed that there were signs of recovery. He pointed to the decline of inflation and interest rates, a trend which he thought likely to continue into 1983. He also calculated that the real growth of the economy might reach 3 per cent next year. All the same, he noted that unemployment will remain high for the foreseeable future and will probably decline only gradually.

Turning to the government's fiscal position, Mr. Lalonde reported that the anticipated deficit had increased by approximately \$4 billion over the estimate given in June. This was a direct consequence of an increase in outlays of slightly more than \$1 billion combined with a decline in revenues of almost \$3 billion. Both factors, he explained, were attributable almost entirely to the weakness of the national economy.

Although the minister stated that he would accept some increase in the deficit, he felt constrained by the principle of fiscal responsibility from introducing any massive new spending program as a "fix" to the economy. However, recognizing the need to take action to alleviate the distress of the unemployed and the hard-pressed, the Minister revealed several measures to be financed by spending reallocations. Among other things a new Employment Expansion and Development Program will provide jobs for 60,000 people at a cost of \$500 million. An additional \$150 million will be allocated to two existing housing programs — the Canadian House Renovation Plan and the Canadian Homeownership Stimulation Plan. The second program, introduced in the June budget, is to be extended beyond its December 31 termination date by 3 months. The government will make available up to \$100 million in grants

to be applied, during that period, to the purchase of new homes in order to generate the maximum amount of employment. Third, the minister declared that the government will earmark an additional amount of up to \$400 million to accelerate the expansion and modernization of rail capacity in the West.

Because Mr. Lalonde's address was presented as a statement, and not a budget, there was no full scale debate. Instead, the two opposition parties each made a major rebuttal and there followed a period of questions and answers addressed to the minister by different members. The reply for the Progressive Conservatives was made by their finance critic, **Michael Wilson** and for the NDP by their leader, **Ed Broadbent**.

In the course of his remarks, Mr. Wilson reviewed the activities of the government and placed the responsibility of the current economic situation at its door. He criticized the government for lacking a plan which offered encouragement in the private sector. By way of solution, he proposed action to simplify the *Income Tax Act* and to encourage risk-taking investment. He recommended that the Foreign Investment Review Agency be reformed and the National Energy Program be amended to reduce government red tape. He urged that the burden of government regulation be minimized, that efforts to lower interest rates be continued and Canada's trade potential be expanded.

For his part, Mr. Broadbent criticized the policies of both the government and the official opposition. In his words, "those who are in a position to help pay now should be out there in the front line with their pay cheques". Among the proposals he recommended were a cut in money spent on embassies abroad and on Government advertising. Such funds, he urged, should be allocated on reforestation and fishery enhancement and \$500 million should be injected into housing. He charged that the

policies put forward by the other parties were inequitable for they increased the burden on the workers while reducing the costs to the rich.

Prior to making his statement, Mr. Lalonde obtained leave to introduce Bill C-128, *An Act to Provide Supplementary Borrowing Authority*. This bill permits the government to borrow up to \$4 billion – the sum required to cover the latest calculated increase in the deficit as explained by the minister's statement. According to the terms of Standing Order 72A, adopted by the House in July explicitly for the purpose, debate on this measure was limited to three days. The bill obtained approval from the House on November 2.

The vote on this bill followed by one day the first allotted day of the current cycle in the supply process. **Mr. David Crombie** on behalf of the Conservative Opposition moved a motion of non-confidence in the government for its failed economic policies, specifically for causing record high unemployment. **Mr. Nelson Riis** of the NDP moved as an amendment to the motion criticism of the government for not introducing effective job creation measures funded by a revised tax system. Both the motion and the amendment were defeated.

On Thursday October 28, a request was made by **Mr. Bill McKnight** for an emergency debate under Standing Order 26 to consider the shutdown of ports on the West coast. The Speaker, **Mme Jeanne Sauvé**, turned down the request explaining that an opportunity to discuss the issue could come up under different proceedings.

Committee Reports

Two committee reports had been deposited with the Clerk of the House while the House was adjourned for the summer. The first was prepared by a sub-committee of the Standing Committee on Indian Affairs and Northern Development. It had examined provisions of the *Indian Act* dealing with band membership and Indian status, specifically addressed to discrimination against women. From its study of the law and from the testimony taken from numerous witnesses, the sub-committee, under the chairmanship of **Mr. Jack Burghardt**, recommended specific amendments to the Act which would allow Indian women and their children to retain their Indian status and band membership in cases of mixed marriage or parentage. Because the committee wanted to make the change to the *Indian Act* retroactive, it also called for increased government assistance for the Indian

bands in order to help them cope with the expected influx of reinstated women and children.

The second report came from the Standing Committee on Finance Trade and Economic Affairs. Ordered by the House to examine the 160 Notices of Ways and Means Motions to amend the *Income Tax Act* tabled with the last two budgets, the committee held three weeks of public hearings before preparing its report. The committee, chaired by **Mr. John Evans**, dealt with problems in four general areas: the budgetary process, the complexity of the tax system, particularly with respect to the taxation of small private Canadian corporations, the retrospective application of some of the budget proposals and the deferral of taxes. The Minister of Finance took into account several of the specific complaints raised in this report when making his statement to the House.

Charles Robert
Table Research Branch
House of Commons
Ottawa

Senate

When the Senate returned on October 25 from its summer adjournment, the Government leadership had changed. Senator **Bud Olson** moved from being Minister of State for Economic Development to Government Leader, replacing Senator **Ray Perrault** who assumed the duties of Minister of State (Fitness and Amateur Sport).

The Senate returned two days earlier than the Commons to deal with two bills, Bill C-201, which proposed to change the name of *Dominion Day* to *Canada Day*, and Bill C-127, dealing with sexual offences. The Legal and Constitutional Affairs Committee had been charged to study the subject-matter of Bill C-201 over the recess and had heard representations from the Secretary of State for Canada and from every national organization that requested a hearing. In its report, tabled by Senator **Joan Neiman**, the Committee noted the technical defects of the Bill, in particular the lack of consequential amendments to other federal statutes. The Committee, while recommending that Bill C-201 be proceeded with, proposed that the necessary consequential amendments to the Bill be made by the Senate in this session. After a

spirited debate, the Senate rejected an amendment proposed by Senator **Jacques Flynn** which would have included the consequential amendments, and passed the bill on division. Bill C-201, and Bill C-127, which passed without amendment, were both given Royal Assent on October 27.

In addition to Bill S-30 which proposed the consequential amendments to the *Holidays Act*, two other controversial bills were introduced during the period under review: Bill S-31, An Act to limit shareholding in certain corporations, by which, subject to certain exemptions, no government would be able to hold or beneficially own more than ten per cent of the shares of any class of shares of a corporation; and Bill S-32, An Act to amend the *Penitentiary Act* and the *Parole Act*, which dealt with mandatory supervision of inmates in federal prisons.

Committee Reports

On October 25, Senator **Doug Everett** tabled the report of the National Finance Committee entitled "Government Policy and Regional Development". The report enunciated the principles on which the Committee believed a regional development policy should be based and provided a serious examination of the government re-organization which was announced some months ago. The Committee felt that the new approach to regional development by which the federal government is attempting to get more credit for the role it plays, could unintentionally end up damaging the program. The Committee was prepared to accept the reorganization but recommended that the Ministry of State for Economic and Regional Development and the Department for Regional Industrial Expansion, which have assumed the functions of the now demised Department of Regional and Economic Expansion, should receive legislative mandates. They should be legally required to pay special attention to the problems and needs of the least developed regions of the country. The Committee was critical of the recent emphasis on megaprojects which, it felt, could widen disparities between the well and less developed areas of Canada. It proposed that the General Development Agreements (GDAs) should not be replaced. The Committee stated that, while the GDAs could be amended, they were effective and should not expire, as the Government is proposing.

Senator **David Steuart**, a member of the Committee, disagreed with some of the recommendations regarding the GDAs. He felt that one of the great weaknesses

was that one level of government spent the money while another one raised it. He stated that it was difficult for the federal government to be in full co-operation with the provinces "while they were allowed to get away with not paying the piper". He believed that, with regard to the province of Saskatchewan, the federal government has not had the recognition it deserved in the fight against regional disparity.

Gary O'Brien
Chief
Minutes and Journals Branch (English)
The Senate
Ottawa



Alberta

The Progressive Conservative Party led by Premier **Peter Lougheed** won an overwhelming victory in the November 2 provincial election. The Conservatives won 75 of the 79 seats and increased their share of the popular vote to 63% from 57% in 1979. The New Democratic Party also increased their popular vote and picked up an additional seat as **Ray Martin** joined NDP leader **Grant Notley** in the legislature.

Two independents were elected **Ray Speaker** and **Walter Buck**. They retained seats they had formerly held for the Social Credit Party. The Western Canada Concept Party, the Liberals, the Alberta Reform Movement and the Social Credit Party failed to elect any members.

The Editor

Ontario

Although the Legislature recessed for the summer on July 7th, work continued through the balance of July in two committees. The Justice Committee heard submissions on a municipal licensing bill, which could, among other things, be employed to restrict pinball-video arcades. The Social Development Committee held extensive hearings into wife battering, during which testimony was heard not only from social service agencies and experts, but also from women who had been beaten by their husbands and husbands who beat their wives. The Committee expects to issue a report on wife battering during the Fall sitting of the House. August was, for the first time in some years, entirely free from any activity in either the House or the Committees.

September began with a flurry of committee activity: public hearings on a major health administration bill; public hearings on a controversial bill dealing with teachers' bargaining position before Metro Toronto's several boards of education; a review of various provincial agencies, boards and commissions; public hearings on proposed changes to Ontario's workmen's compensation scheme; review of the work of the provincial Ombudsman. The latter, an annual exercise carried out by the Select Committee on the Ombudsman, included a serious disagreement between the Ombudsman, the Honourable **Donald Morand**, and the Committee over the Ombudsman's refusal to release certain financial information about his office to the Committee.

As this work proceeded, the Legislative building was awash with rumours of an early recall of the House to deal with government proposals for combatting the

worsening economic situation. Speculation ended on September 15th when Premier **William Davis** announced a special session of the Legislature to begin on September 21st.

In a statement to the House, the Premier explained the government's restraint programme. He emphasized that while there are no easy answers to the current economic problems, there are positive measures which governments at every level in Canada can and should take. Singling out high interest rates as the principal obstacle to economic recovery, Premier Davis made clear his preference for a national, comprehensive programme of wage and price controls. In the absence of such a universally applicable controls package, the Premier said that the Ontario response would concentrate on the public sector and give the private sector "an opportunity to respond in its own way to the need for restraint."

The policy announced by the Premier was to have three principal elements: review and reduction of government expenses (including cancellation of the politically contentious order for an executive jet); control of fees set by public agencies and of provincially-regulated prices; and a one-year five percent wage freeze throughout Ontario's public sector. Arguing that restraint in public sector wages would reduce unemployment, Premier Davis set out several principles for the wage restraint programme including "the widest possible coverage of those receiving public funds; equity through comparable treatment; equity in the treatment of those with relatively low incomes; the continuation of labour-management negotiations on a range of non-monetary issues and attention to increasing productivity and maintaining public sector employment."

The substance of the government's programme was contained in two bills: one to enable the province to enter agreements with the federal government in a possible national anti-inflation programme, and another which authorized and detailed the five percent freeze and which also established the machinery for price review.

David Peterson, the Leader of the Opposition, who had proposed a programme of "equitable restraints" earlier in the summer, called the government's package an important first step but attacked it for failing to include any positive job creation initiatives. New Democratic Party deputy leader **Jim Foulds** early on served notice that his caucus opposed the entire philosophy of the policy and intended to "engage in

a parliamentary battle the likes of which this Legislature has seldom seen."

The restraint package, and its principal legislative emanation, Bill 179, immediately became the central, at times almost the only concern of the Ontario Legislature. Every day, large segments of Question Period were given over to the restraint programme and the bill. Committee work came to a virtual halt (by House order) while the debate on Bill 179 ground on. The bill was the sole piece of legislation called for debate for fourteen consecutive sitting days; all other House business was pushed aside. Eventually, all party agreement was reached to send the Bill to standing committee for two weeks of public hearings and the Bill received second reading on October 19. During the debate, the Speaker twice had the public galleries cleared because of demonstrations and, as tempers frayed, a division was held on a challenge to a ruling from the Chair on the admission to the galleries of persons wearing t-shirts with slogans.

The Liberals supported the bill at second reading, although they indicated serious reservations about many features of the bill. Mr. Peterson castigated the Government for failing to "get on with the urgent task of modernizing and revitalizing our industrial base"; he called the programme a "five percent solution", delivering only five percent of the solution to Ontario's economic woes. The price control provisions are full of loopholes, he said, and place no obligation on the private sector to restrain prices. Mr. Peterson argued that the bill's greatest flaw was its singling out of the public sector to shoulder the load, and he expressed doubts over the wisdom of entirely removing the right to strike from public sector employees.

Leading off the debate for his party, Mr. Foulds asked "how restricting wages in the public sector, for people who work in children's aid societies and rehabilitation centres for crippled children and taking away their right to collective bargaining, creates one new job in Ontario?" He called the bill "find-a-scapegoat legislation", and "class legislation" with empty "if-but-maybe price guidelines." His party was unalterably opposed to the bill's forcing ordinary people to suffer under oppressive laws while imposing no burden on well-to-do in the private sector.

Graham White
Clerk Assistant
Ontario Legislative
Assembly
Toronto



Prince Edward Island

Participating in his first election as leader, Premier **James Lee** of the Progressive Conservative Party won twenty-two of the thirty-two seats in the September 27 provincial election. Mr. Lee campaigned on a platform of restraint and fiscal responsibility which was in sharp contrast to some potentially expensive promises made by Liberal leader **Joe Ghiz**. While failing to lead his party to office, Mr. Ghiz scored a personal victory by defeating the Minister of Tourism, Industry and Energy, **Barry Clark** in 6th Queens.

The Conservatives took more than fifty-three per cent of the popular vote, compared to forty-five per cent for the Liberals and less than one per cent for the New Democratic Party.

The Editor



New Brunswick

Premier **Richard Hatfield** led his Progressive Conservative Party to a

fourth consecutive victory in the October 12 election. The Conservatives took thirty-nine of the fifty-eight seats in the Legislative Assembly while the Liberals, under new Leader **Doug Young**, saw their representation drop from twenty-eight to eighteen. The New Democratic Party made somewhat of a breakthrough in Tantramar where **Robert Hall** became that party's first member elected to the legislature. The *Parti Acadien* nominated ten candidates in northern New Brunswick but failed to elect any members.

Both Liberals and Conservatives made a number of campaign promises, most of them relating to job creation. The electorate appeared to trust Mr. Hatfield as the Conservatives took ten seats from the Liberals while losing one to the NDP. Three of the Conservative gains were in Miramichi where unemployment was running around 55 per cent.

The Editor



Saskatchewan

The first session of Saskatchewan's Twentieth Legislature resumed for a special one-day sitting on August 20. The House was recalled by the new Progressive Conservative administration to pass legislation ordering striking cancer clinic workers back to work. Bill 38, *An Act respecting the Maintenance of Operations of the Saskatchewan Cancer Foundation*, was piloted through the House by government House Leader, **Eric Berntson**. This was the second time in five months that striking workers have been ordered back to work in Saskatchewan. The previous NDP administration ordered striking non-medical hospital staff back to work just prior to calling the April 26 election which saw the government change hands.

The recently appointed Public Accounts Committee found itself composed entirely of Members without previous experience on the Public Accounts Committee. In view of this circumstance, the Committee Chairman, **Ned Shillington**, (NDP, Regina Centre), and Vice-Chairman, **Cal Glauser**, (PC, Saskatoon Mayfair), with the assistance of Committee Clerk, **Gwenn Ronyk**, planned a two-day seminar to provide Members with detailed information on the Committee's purpose and operation.

The seminar took place on September 16-17, 1982 at the Legislative Building,

Regina. An introduction to government financial processes in Saskatchewan was presented by officials of the Department of Finance. This introduction was followed by an in-depth review of the role and operation of the Public Accounts Committee lead by special guests, **Bill Clarke**, MP, Chairman of the Canadian Public Accounts Committee, Dr. **Graham White**, Assistant Clerk, Legislative Assembly of Ontario and Honourable **Robert Andrew**, Saskatchewan's Minister of Finance. The second day of the seminar focussed on the role of the Provincial Auditor with a presentation by **Willard Lutz**, Saskatchewan's Provincial Auditor. The day was highlighted by the

contributions of **Ken Dye**, Auditor General of Canada and by a presentation of comprehensive auditing by **Bill Radburn**, from the Office of the Auditor General.

A verbatim report of the proceedings is available on request from the Office of the Clerk, Legislative Assembly of Saskatchewan, 239 Legislative Building, Regina, Saskatchewan, S4S 0B3.

David Mitchell
Clerk Assistant
Saskatchewan Legislative Assembly
Regina



Saskatchewan Public Accounts Committee Orientation Seminar (L to R) Dr. Graham White, Ontario; Mr. Bill Clarke, MP; Mr. Ned Shillington, MLA