

the money would be spent, yet the minister is suggesting to spend the money during the pre-Christmas period. If this money is spent during that time, how will that help low-income people for the next several months when they will depend on this extra money to pay additional tax on their kids' clothes, shoes and other necessities? It completely disregards the alleged stated intention of the government—

**Senator LeBlanc:** It also applies to pens, papers, books—

**Senator Buckwold:** The government is saying to spend the money in complete disregard for the reason it has given for the credit: To finance the additional cost to families as a result of the goods and services tax.

Will the Leader of the Government reconcile these two statements? If they spend the money for Christmas, which will obviously be part of the problem, it may not always be spent wisely. I am not suggesting that will happen, but where will these people have the funds to take care of their essential needs which will be affected by the goods and services tax?

**Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations):** Honourable senators, I thank the honourable Senator Buckwold for his timely reminder of the tax credit which will go to between 6 million and 7 million Canadians once Royal Assent has been received for Bill C-62. I hope I can say without giving personal offence that I am absolutely astonished at the paternalistic attitude he is taking on this matter. He is suggesting that lower-income Canadians cannot really be trusted to handle this amount of money—

**Some Hon. Senators:** Oh, oh.

**Senator Murray:** Indeed, I quote his exact words, that "they may not spend the money wisely." Presumably he is making a case out of a guilty conscience or out of a very reactionary policy, he is making a case to justify the delay in the tax credit. Perhaps one of the eight amendments which he will move on behalf of the Leader of the Opposition will be to delay the payment of the tax credit until a later date. He may try that, but I suspect some of his colleagues will be diving under the desks rather than supporting him.

**Senator Buckwold:** I can assure you that I will not give away any secrets of what the amendments may be. We will keep you guessing.

I was not being paternalistic. I say that there may be some cases in which the money is not spent wisely. I think you might agree with that.

**Senator Murray:** I used to hear people making that argument about family allowances.

**Senator Buckwold:** Certainly it was pointed out to us in the committee that this was one of the very obvious forms of bribery the government is using, to pay in advance the extra cost of the tax, putting in the hands of the people in advance a nice little cheque that will come in very handy.

I suggest that the words of the minister are such that they will encourage the money to be spent now rather than used for the benefit of the families who will need the money in the

[Senator Buckwold.]

months ahead. Instead, he is urging them to spend it for pre-Christmas purposes.

● (1510)

## CANADA-UNITED STATES RELATIONS

### MULTIJURISDICTIONAL DISCLOSURE SYSTEM—SALARIES OF EXECUTIVES—ROLE OF CANADIAN GOVERNMENT

**Hon. Raymond J. Perrault:** Honourable senators, this morning I received a number of calls with respect to wire reports that have been circulated in the country. Apparently, these reports originated in yesterday's *Toronto Star*. The account reads, in part, as follows:

Million-dollar executives may have found a way to conceal their big pay cheques from Canadians.

Under proposed new regulations, Canadian companies that list their shares on U.S. stock exchanges would be exempted from the requirement that top executives disclose their compensation.

The article goes on to say:

Canadian executives have tried for years to keep their salary information confidential but failed to gain an exemption from U.S. disclosure requirements.

The move comes at a time when the gap between the pay of top bosses and ordinary workers is growing wider than ever and Canadian executives are winning bigger pay increases than their ordinary employees.

The article further states:

Companies listed on Canadian exchanges alone must reveal only the compensation of the top five executives in aggregate.

The allegation is that there was government cooperation to assist in having these regulations changed.

The report goes on to say:

The new proposals, known as the Canada-U.S. Multijurisdictional Disclosure System, are designed to ease cross-border stock issues and takeover bids by eliminating the need for companies to file two sets of documents and meet two sets of regulations.

Arthur Earle is quoted in this report which says:

"If what we're going to see is even lighter disclosure regulations regarding executive compensation, it's a very retrograde step," said Arthur Earle, a businessman and academic who recently completed a study for the University of Western Ontario recommending more detailed disclosure of salaries in Canada.

"I have been urging that Canadian requirements be brought up to U.S. standards."

Earle said the current requirement that Canadian companies reveal only the aggregate salaries of the top five executives is meaningless.

He said in his report that "it is particularly galling to read an annual report showing falling earnings and rising executive compensation or expensive 'golden parachutes.'"