

A&A are currently negotiating with Boeing, having spent August and September performing a due diligence analysis of the de Havilland operation. As of October 31, 1990, the companies had not reached a buy/sell agreement. Consequently, Investment Canada has not yet received an application for review of the potential acquisition and none of the details of a proposed transaction are known. The implications of possible A&A ownership on employment, sales, product development, engineering design and technological development cannot be assessed until A&A's plans are known. Informal discussions between government officials and the companies concerned are taking place.

The Investment Canada Act requires that an application be rigorously scrutinized to ensure that the transaction yields net benefit to Canada. In a case of this magnitude, it would be necessary to examine all the direct and indirect impacts so that a comprehensive analysis is available to the government so that a decision can be made.

### BRITISH COLUMBIA

#### ALL-PARTY LEGAL CHALLENGE TO APPOINTMENT OF ADDITIONAL SENATORS

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, this delayed answer is in response to a question raised in the Senate on May 24, 1990, by Senator Perrault, regarding British Columbia—All Party Legal Challenge to Appointment of Additional Senators.

*(The answer follows:)*

The Government of Canada is seized with the B.C. court challenge and the Prime Minister has been informed of this action.

The Government does not doubt its Senate appointments are valid.

We have the advice and counsel of the most senior law officers of the Government that our position is the right one. Not exclusive. The most recent judgment from the Ontario Court of Justice (General Division).

The Senator is attempting to muddy the waters by mixing the issue of the popularity of the GST with a false constitutional issue.

### ENERGY

#### SCOTIA SYNFUELS PROJECT

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, I have a response to a question raised in the Senate on September 25, 1990, by the Honourable Allan J. MacEachen, regarding the Tax Credit for the Scotia Synfuels.

*(The answer follows:)*

Honourable senators, the proposed Scotia Synfuels project is a very large project with capital costs of about

\$500 million. The tax credit for the project under the Cape Breton Investment Tax Credit Program would exceed \$200 million. While the benefit of this program is delivered through the tax system, that have been approved by the Minister of Industry, Science and Technology (DIST). Consequently, officials from that Department and of Energy, Mines and Resources and the Atlantic Canada Opportunities Agency have worked very closely with Scotia Synfuels to evaluate this project carefully. The review process is close to completion and a decision by the Minister of DIST on Scotia Synfuels' application for the Cape Breton Investment Tax Credit is expected in the near future.

### SENATE REFORM

#### PROCESS OF FUTURE APPOINTMENTS—REQUEST FOR CLARIFICATION

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators, the final delayed answer is in response to a question raised in the Senate on June 13, 1990, by the Honourable Joyce Fairbairn regarding Process of Future Appointments—Request for Clarification.

*(The answer follows:)*

The Constitution Amendment, 1987 provided that, pending Senate reform, Senate vacancies be filled by persons proposed by the Government of the Province concerned and who were acceptable to the Government of Canada.

Under the Constitutional Accord of June 3, 1987, it was agreed the Senate nominations provision would apply until the proposed amendment came into force.

With the failure of the Accord, the interim nominations procedure no longer applies.

*[Translation]*

### THE GOODS AND SERVICES TAX

#### PRESENTATION OF PETITIONS ON BILL C-62

**Hon. Jacques Hébert:** Honourable senators, I have the honour to present a petition on behalf of 40 citizens from the area of St-Polycarpe, in Quebec, who ask the Senate to reject the GST bill. I would wish to read their petition verbatim because it is using very old English and it always makes for interesting reading.

Petition to the honourable Senate in Parliament assembled. The undersigned citizens of the Dominion of Canada, now avail themselves of their ancient and undoubted right (except by senator Simard, of course) to present a grievance common to your petitioners, in the certain assurance that your honourable House will therefor provide a remedy. They humbly sheweth whereas the 7 per cent goods and services tax, the univesal federal tax brought in by the Conservative Government, will cause serious, unfair and inhuman hardship for Canadians.