

to be used to make a copy which breaches copyright in the computer software, is guilty of an indictable offence and liable to imprisonment for a term not exceeding two years.

Another section would state:

(2) Where a person is convicted of an offence under subsection (1), any computer software in relation to which the offence was committed may, in addition to any punishment imposed upon such conviction, be ordered forfeit to Her Majesty, whereupon it shall be disposed of as the Attorney General of that province directs.

### GOODS AND SERVICES TAX

**Hon. Gildas L. Molgat (Deputy Leader of the Government):** Honourable senators, on October 24, 1990, Senator David urged us to pass into law as quickly as possible legislation to implement the goods and services tax. As reported in *Hansard* at page 3226, Senator David stated:

... I believe it would be irresponsible and disastrous to delay or even amend Bill C-62.

Further delay caused by seeking an alternative to the GST is certainly not the way to deal with an urgent economic situation the government is trying to correct with a great deal of courage, intelligence and energy, unfortunately making itself unpopular in the process as a result of unfounded statements by the opposition parties.

That was stated in October 1990.

Canadians now believe that it was irresponsible and disastrous of the government to force the GST through the Senate one year ago today.

**Senator Frith:** And down the people's throats.

**Senator Molgat:** One year after what Senator David characterized as "an urgent economic situation" we have, in the words of the Canadian Chamber of Commerce—an impartial body—"a national economic crisis."

What Senator David described as "unfounded statements by the opposition parties" have proved to be all too accurate, unfortunately. Instead of the additional 60,000 new jobs promised by the Minister of Finance, we have seen jobs lost with the unemployment rate increasing from 9.3 per cent a year ago to 10.3 per cent today. My own home city of Winnipeg, which for a long time had not been subjected to boom or bust, now has an 11 per cent rate of unemployment, the highest since the Great Depression.

When will the government admit that the promises it made about the GST have all proven to be unfounded?

### THE SENATE

#### APPOINTMENT OF EXTRA SENATORS

**Hon. Finlay MacDonald:** Honourable senators, while many Canadians were outraged by the passage of the GST, they should not doubt the constitutionality of stacking the Senate in this case. The circumstances one year ago in 1990 lent them-

[Senator Nurgitz.]

selves to the preconditions outlined by the Imperial government in 1873. There was actual collision of opinion between the two houses in regard to a major tax initiative—

**Senator Olson:** But there was not here.

**Senator MacDonald:**—and the appointment of extra senators could provide the adequate remedy.

● (0910)

Some argue that the Prime Minister could not invoke the section until after the Senate had voted down the bill. However, after having read the bill twice in the Senate, after conducting a summer's worth of public hearings, and after producing the Senate standing committee's report, the Senate had done virtually everything that it usefully could have done.

The dismal history of Senate intrusions which prevented or delayed the passage of progressive law reform is a reminder of the price that democratic politics is bound to pay for this type of intervention.

**Hon. Royce Frith (Leader of the Opposition):** He is keeping a straight face, by God.

**Senator MacDonald:** Could I have the Senate's attention, please?

While the Liberal senators and their political supporters were undoubtedly right about the numbers in opposition to the new tax, they were not right to reject outright, on the basis of opinion polls, an important piece of fiscal legislation halfway through the Conservative mandate. If successful, they would have usurped the democratic process and the opportunity Canadians would have had to make the Conservatives account for their tax in the next election.

**Senator Frith:** Honourable senators, what we asked for was a confession. We did not ask you to rub it in.

**Senator MacDonald:** This is not a confession.

### GOODS AND SERVICES TAX

**Hon. H.A. Olson:** Honourable senators, on a more serious note, one year ago today, on December 13, 1990, Bill C-62 was implemented, the detested GST. It was forced through this chamber.

On November 5 of 1990, while speaking in defence of the bill, Senator Poitras — I am glad to see that he is here today — said this at page 3539.

With this tax, our companies would consequently be better able to compete and, above all, to export their export products more fairly and efficiently.

After the GST had had a chance to work its magic on Canadian companies for nine months, Canada experienced its first — I want to emphasize "first" — merchandise trade deficit in 15 years. In September of this year, merchandise imports exceeded exports by \$311 million. Senator Poitras promised us companies better able to compete. In October of this year, total bankruptcies reached the highest monthly total in Canadian history. Since the GST was passed, more than