

Senator Murray: Oh, but it does not.

● (2210)

Senator Olson: That is their interpretation of it, but my guess is, whether it is direct or indirect taxation, they do not have a right to do that either. You are going to run into those kinds of problems.

My understanding is that the main job of the Minister of State for Federal-Provincial Relations is to make peace.

Senator Murray: Who told you that?

Senator Olson: Your Prime Minister told me that. He did not say it to me directly, but he has made several speeches indicating that there was going to be a new order in Canada and that there would be no more confrontation with the provinces. Do you not remember that? There was going to be "new civility". He used nice words like that.

Senator MacEachen: "National reconciliation".

Senator Olson: Yes, "national reconciliation". I do not want to be unkind, but since I started my political career 34 years ago, I cannot remember any time when there was more tension and complete disgust displayed by the people with respect to the way in which the two senior levels of government are carrying on. Now you have a chance to correct some of that. If you have made mistakes in the past, we will forgive you, but only on the basis that you will admit it and start doing things that will correct these mistakes. You can start that process tomorrow afternoon by saying you want to have better relations with the provinces and not get mixed up in this electricity issue with crown corporations that belong to the provinces. That is one step you could take.

Senator Grafstein: Ask Senator Barootes to talk to his caucus tomorrow.

Senator Olson: Another thing you can do is show you are on the side of the people. People out there do not believe that this government cares about them, and that is not good. I think it is very dangerous to continue to demonstrate that you do not care what the people think. That seems to be what is happening. You will not accept any amendments. Some people have heard you say, "No amendments." I have heard Harvie Andre say a number of times, "The Senate has no business in any budgetary matter."

Senator Bosa: He said it yesterday.

Senator Olson: He has said it a dozen times. The other day the Prime Minister stood outside the Commons and said, "The Senate has no business sticking its nose into this." I know that the people of this country believe that, if you are going to bulldoze this bill through, the Senate has not only the right and the power but an obligation to get involved in this situation.

I plead with you. You still have time because we are going to introduce some other good amendments that you can accept. However, here is a typical example of an amendment that you could make that would improve the situation, and I

[Senator Olson.]

am sure Canadians all across this country would cheer for you if you did.

Some Hon. Senators: Hear, hear!

Hon. Gildas L. Molgat: Honourable senators, earlier in the debate this evening, Senator Molson, in reply to Senator Lucier's appeal on this amendment, said that it was too late. At that time my colleague, Senator Riel said to me, "It is never too late to do the right thing." Indeed, that is what we are dealing with in this amendment: doing the right thing by Canadians.

I was encouraged earlier in the week when I heard Senator Castonguay say on television that senators on the opposite side were prepared to look at reasonable amendments.

Senator Grafstein: I believe Senator Simard said that.

Senator Molgat: Honourable senators, there can be no more reasonable amendment than the one that is now being proposed. I am disappointed that more senators on the other side are not taking part in this debate and explaining how they can defend this particular action. I wonder how Senator Cochrane is going to defend this measure in Newfoundland. How can she explain to Newfoundlanders, who are already the most disadvantaged people in Canada, that they will have to carry this extra burden? Honourable senators, it is not an equal burden but an extra burden over and above what other Canadians will be paying in other parts of the country.

Senator Grafstein: They already pay 12.4 per cent.

Senator Molgat: Last week when we were in the midst of Presentation of Petitions, I heard a number of senators on the opposite side say, "Let us get to the bill. We want to discuss the bill." My neighbour, Senator Sylvain, was making that very point last week. However, we do not hear a defence from the other side except from Senator Barootes.

What remedy did Senator Barootes offer this evening? He said that we have to go ahead with this; we have to have this tax on heating fuel. He said that the way to correct it is through income tax. I think Senator Barootes must be aware that in the past two years the government has attempted to make some amendments to the Income Tax Act with respect to where the boundaries should be drawn for northern allowance; it simply has not worked. It just does not work that way. It is true that in the Yukon and the Northwest Territories costs are higher, but even in my province, and in Senator Barootes' province the situation may vary. Living in Churchill is quite different from living in Winnipeg because costs in Churchill are substantially greater. Certainly the cost of heating fuels is greater and residents there use an awful lot more of it. They have no choice. There is no way out of it. Here we are imposing this extra burden on these people.

The solution cannot be found in the Income Tax Act. Where do you draw your boundaries? Are you going to draw the boundary halfway between Saskatoon and Regina? There is no way you can do that.

Honourable senators, I recently received a copy of a letter written to the Prime Minister and to Senator Lowell Murray.